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# REPORT OF THE WORKSHOP ON “ALTERNATIVE MANAGEMENT MODELS AND FINANCE MECHANISMS FOR SUSTAINABLE FOREST USE IN THE DEMOCRATIC REPUBLIC OF CONGO”

KINSHASA, DEMOCRATIC REPUBLIC OF CONGO: 23-24 JUNE 2008

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## Presentation of the workshop

The workshop took place at the *Grand Hôtel de Kinshasa* from 23-24 June 2008 to discuss management models and financing mechanisms for the sustainable use of the forests of the Democratic Republic of Congo (DRC). This followed on from a workshop organised at Chatham House, London, on 17-18 December 2007 by the Department for International Development (DFID) of the United Kingdom (UK). This workshop was organised under the auspices of the Ministry of Environment, Nature Conservation and Tourism of the DRC, with the support of DFID of the UK, the German Technical Cooperation Agency (GTZ), in association with the French Ministry of Foreign and European Affairs (MAEE), the German Ministry of Economic Development Cooperation (BMZ), the Belgian General Directorate for Development Cooperation (DGCD), the World Bank and the European Commission, and the technical support of Chatham House.

The objectives of the Kinshasa workshop included (1) the presentation of five proposals developed by different organisations with a view to analysing their feasibility and effectiveness, strengths and weaknesses, and any challenges which have to be overcome; (2) the description of the next steps to be taken, identification of who should implement these and development of a timeline for activities.

The following models and mechanisms were analysed:

- Carbon finance in the DRC (Woods Hole Research Centre and the Ministry of Environment, Conservation of Nature and Tourism of the DRC)
- Conservation agreements for forest communities (Conservation International)
- Developing local community forestry management as a contribution to poverty reduction in the DRC (Forests Monitor)
- Endowment fund for protected areas (WWF/CARPO)
- Debt conversion for environmental finance (Ministry of Foreign Affairs, France).

As at the London event, the Kinshasa meeting was an opportunity to provide an update on the forest sector of the DRC and on international initiatives to support the sector. The government of the DRC, donors, the private sector and civil society reported on progress made and also the major challenges faced within the sector.

The 124 participants in the workshop included representatives of the DRC government, donors, international organisations, civil society, conservation organisations, academics and the private sector. The workshop was opened and closed by the Minister of Environment, Nature Conservation and Tourism, with the Ambassador of the UK in attendance.

## **Monday 23 June 2008**

### **Session I: Update on the forest sector and related international initiatives**

#### **Speech by the Minister of Environment, Nature Conservation and Tourism**

The Minister noted that there was a growing awareness at the international level of the need to participate in efforts aimed at improving the environment and protecting the biodiversity and water resources of the Congo Basin and, in particular, of the DRC which covers 60% of the area of the Basin.

The mobilisation of the international community to this end resulted in the organisation of the Brussels Conference and the Washington Roundtable which aimed to:

- contribute to raising the awareness in the world of the environmental stakes;
- determine the best ways of using the forests in a sustainable manner;
- convince the international community to engage more with the Congolese government in the cleaning up of the forest sector;
- rethink the management model of the forests in terms of sustainability and social equity;
- underline the importance of the rights of local and indigenous communities living in the forests; and
- invite partners from the private sector to join the discussion with a view to develop and implement new financing models for the conservation of nature, in general, and to create innovative financing mechanisms for the sustainable management of the forests of the DRC.

While highlighting current challenges, the Minister noted that the government of the DRC is working tirelessly to make the Forest Code operational, of which the main implementation

measures have already been signed by the Congolese authorities and others will be signed very soon.

The Minister stated that the Congolese government has focused its attention in the following areas:

- maintaining the moratorium on the allocation of new concessions until the conditions defined in the 2005 Presidential decree have been met;
- finalising the legal review of old logging titles by rigorously applying the criteria defined in the 2005 decree and cancelling non-valid titles;
- maintaining the traditional rights of local and indigenous people in all the forests;
- strengthening forest control in order to reduce illegal exploitation and improve the economic climate with a view to attract and assist ethically, socially, fiscally and environmentally responsible companies and to provide them an enabling environment for independent certification;
- carrying out several experiments in community forestry;
- building the capacity of State institutions and civil society organisations to play their essential control, awareness-raising and monitoring roles;
- promoting scientific research with a view to feed reliable and sound information into political decisions relating to the management of forest ecosystems;
- including civil society, public information, and independent observers in the monitoring of resources and reforms;
- supporting the implementation of a traceability process for forest products in order to establish their legal status (FLEGT) and issue certificates to them;
- rehabilitating national parks and world heritage sites as well identifying new protected areas while favouring participative approaches and the respect of traditional rights;
- promoting non-extractive uses of the forests, such as bioprospecting, carbon sequestration, conservation concessions and endowment funds, in managing protected areas, local communities’ forests, ecotourism, avoided deforestation, etc.
- sustainable environmental planning, and participative and multi-use zoning of forests.

**Update by civil society: *Théo Gata, Réseau Ressources Naturelles (RRN)***

Speaking on behalf of civil society, Mr. Gata identified the following issues for the forest sector:

- the fight against poverty, impunity and corruption;
- promoting industrial logging in the DRC;
- a low level of interest in promoting community management of forests and the welfare of communities.

According to civil society, a certain number of pre-requisites must be fulfilled for any models to be successfully implemented, notably:

- all proposed alternative models must contribute to reducing poverty;
- the rights of local and indigenous communities must be secure;
- the finishing touches must be put to the rules and regulations governing the management of forests;
- the process of forest planning and participative zoning of the national territory must continue;
- the capacities (training, information, equipment and motivation) of forest administration staff, civil society, and local and indigenous communities must be built up.

For every alternative model, civil society expects that a specific programme or project will be developed; that the link with the National Forests and Conservation Programme (PNFoCo) will be established; that the poverty reduction strategy will be taken into account; and that the roles, responsibilities, rights and the sharing of revenues between the stakeholders of an area will be clearly determined.

Civil society recommends that a concrete model for conservation contracts with communities or NGOs be developed. It wishes also that support be provided to development projects for local and indigenous communities and that a link is established between all these models and the zoning plan and community rights. Furthermore, with regard to payments for environmental services (PES), there is a need to ensure that civil society is involved in all the negotiations and that any profits be fairly shared.

Civil society highlighted that the legal review of logging titles must be finalised and that the moratorium be maintained until the zoning plan and the legal framework have been finalised;

that the administration must have the necessary control and monitoring capacity; and that the Extractive Industries Transparency Initiative (EITI) be implemented.

Civil society also wishes that the following take place:

- the independent monitoring of forest control must be operational;
- the capacities of all stakeholders must be built up;
- the rights of communities must be clarified before allocating land;
- investments need to be attracted through developing financial infrastructures which are accessible to communities (micro-finance...); and
- the requirements of territorial decentralisation (i.e. a framework for consultations between the local administration and other stakeholders) must be taken into account.

#### *Discussion*

**A participant wanted to know how to involve local indigenous communities in the capacity building process.**

The representative of civil society replied that there are forest management forums, a framework which brings together all the stakeholders, including local indigenous people.

#### **Update by the private sector: *Françoise van de Ven, Fédération des Industriels du Bois (FIB) in DRC***

In her presentation, Mrs. Van de Ven reminded the participants that the *Fédération du Bois* (FIB) is a union which was created in March 2006 by 14 logging enterprises. In order to take stock of the current situation, she thought that it was necessary to review the process of forest titles conversion. To this end, she recalled and summarised the contents of the presidential decrees, promulgated laws and ministerial orders drawn up since 2002, starting with the Forest Code (Law no. 011 dated 29 August 2002).

Mrs. Van de Ven then analysed the detrimental effects of not converting the titles within the timeline provided in the Forest Code, including:

- legal uncertainty of the contracts issued;
- slowing down or non-implementation of planned investments;

- the image of forestry developers is destroyed because of the uncertainty of their legal status;
- non implementation of environmental planning because most enterprises are waiting for the conversion of titles to be completed before making financial commitments;
- absence of terms and conditions (an integral part of a forest concession contract).

In her presentation of logging statistics, the FIB representative noted that:

- the industrial sector logs about 400,000 m<sup>3</sup>/year;
- the artisanal sector and illegal loggers use 5,000,000 m<sup>3</sup>/year, according to a study by FAO; and
- the population logs and burns 50,000,000 m<sup>3</sup>/year.

#### *Discussion*

**A participant thought that the statistics relating to the rates of deforestation for the private sector were biased and aimed at supporting the thesis the argument that the industrial loggers conduct themselves in an exemplary manner. The discussion on this matter was postponed.**

#### **Update by donors: *Filippo Saracco (European Commission)***

In the introduction to his presentation, the representative of donors explained why the partners of the DRC support the forest sector. 60% of the surface area of the Congo Basin is in the DRC which has the largest network of protected areas in Africa (5 World Heritage Sites). Furthermore, it is important to avoid the bad practices of the past. Donors also take into account the potential global impact of the management of this “global public good” on the climate and biodiversity. The objective of donors is to prepare the foundations that will enable the DRC to benefit from new tools.

Donors noted that progress had been achieved in the forest sector. They cited in particular the Forest Code, legal review, cancelling of concessions and the title conversion process. Activities were also implemented in protected areas during the conflict. Finally, donors noted with satisfaction that the forest sector and nature conservation are included in the Poverty Reduction Strategy Paper (PRSP) and the DRC Government’s Priority Action Plan. However, the partners of the DRC noted that a lot still needs to be done in the forest sector. In this

regard, they pointed out that the ongoing processes (the conversion of titles and the reforms) are still to be finalised; human capacity needs to be built up and competence needs to be promoted. The legal foundations also need to be put in place in order to attract credible partners and improve the implementation of the legal framework.

Donors gave a few positive examples of actions which had been undertaken. They were satisfied that the legal framework was being finalised and that the sectoral policy is being developed. They also observed that the foundations of the zoning process (consultation, cartography...) are being put in place and that all the World Heritage Sites are receiving support. These include the Virunga National Park, Kahuzi-Biega National Park, Salonga National Park, Garamba National Park and the Okapi Game Reserve. They pointed out, finally, that the first training institutions (Kisangani, ERAIFT) are being rehabilitated and that training has restarted.

The partners of the DRC in the forest sector have defined the following priority directions for cooperation in 2008-2010:

- supporting the finalisation of the legal framework and sectoral policy;
- supporting reform of the Ministry and institutions under its purview;
- supporting the “reconstruction” of forestry institutions in the centre and the provinces (technical assistance, rehabilitation, equipment);
- building monitoring capacities at all levels;
- developing enabling conditions for the fight against illegal logging; and
- supporting local communities in resource management.

## **Session II: Presentation of alternative models**

### ***The foundation for REDD in the DRC: Andrea Cattaneo (Woods Hole Research Center, United States of America)***

The Woods Hole Research Center is collaborating with the Ministry of Environment, Conservation of Nature and Tourism and the Ministry of Finance of the DRC, NGOs representing indigenous people, and conservation organisations in the implementation of a programme for the sustainable use of forests through carbon finance.

The provision of information as a basis for debate must be among the first measures to be taken. This includes data on the state of biomass (carbon stocks) and the situation in terms of deforestation, economic analysis of land use and an idea of the way financial incentives for

sustainable management of forest should be structured. All this information must be made available in order to enable stakeholders to make informed decisions.

The Congolese Government, WHRC and their partners would like to develop REDD- related programmes in the DRC through three main research activities: (1) measuring the carbon stock, (2) undertaking an economic analysis of the use of natural resources by households, (3) forecasting changes in land use for the production of palm oil and logging. The combined results of this research will be used to develop an effective REDD programme in the DRC. This will be made possible by improving the estimates of carbon dioxide from land use change, evaluating the economic aspects of household decision-making in terms of resource use, calculating the opportunity costs of reducing carbon emissions, and by developing a real carbon finance programme.

The model proposes the following outputs:

- an improved map of biomass and carbon dioxide emissions in the DRC;
- an economic household model which assesses the wealth of households, their use of the forest and their willingness to adopt alternative agricultural practices, and linking this with the emissions map;
- an economic model of the timber industry of the DRC which forecasts potential economic results for alternative scenarios;
- a strategic plan developed jointly with the Ministry of Environment, the Ministry of Finance and NGOs for the implementation of carbon finance programmes in the DRC;
- capacity building of the country in REDD.

#### *Discussion*

**A question was asked about the links that exist between the project and other ongoing initiatives.**

The presenter acknowledged that the links between the proposed project and other initiatives were not clearly articulated in the presentation but that they do exist, notably with the World Bank which contributes financially. This is just a proposal and the Congolese Government and WHRC are open to any form of collaboration.

**A participant pointed out weaknesses in the selection of research sites: the project seemed to be focused on the central forest massif even though the most critical problems, such as the replacement of forests by savannas, are to be found in**

**Bandundu and South Kasai. Another participant asked that mountain forests be included and that the selection criteria be defined.**

The presenter answered that the list of sites had not been finalised and that WHRC are still working on their selection. That is why a WHRC staff member will visit the East of the country in the next 2-3 days. The criteria used in this research are, among others, the type of forest exploitation and biodiversity. The team is open to other suggestions.

**A participant noted the tendency to blame local communities for deforestation. In fact, the statistics presented by FIB suggest that local people are responsible for the highest rate of deforestation. Given this, is there not a risk that industrial loggers will not feel concerned but will feel that their behaviour is exemplary and that they can continue their current practices?**

Responding to these concerns, the presenter noted that the Amazon region has the same problem. The challenge to carbon finance is to find the right incentives and to reward those whose behaviour is exemplary, that is those who do not deforest. WHRC is interested in this issue globally so that countries like the DRC, which do not deforest much, are rewarded. The principle of the programme is to understand who deforests today and how to avoid this. It is true that it is complicated to determine who should be paid and so there is a need to link up with other initiatives.

**There was a lively discussion on the timeline of the research to be undertaken within the framework of REDD and on progress made since the London meeting. There is the idea that REDD is a mechanism aimed at ensuring that the use of the environmental services provided by DRC's forests remain “free” for as long as possible. Further, a participant suggested that the Brazilian experience be transposed to the DRC in order to save time.**

The presenter explained that at this meeting WHRC was presenting a project while at Chatham House they had presented a document prepared for the Bali conference. It was therefore a draft. It is true that the potential sequestered carbon in the DRC amounts to 17 billion tons but there is a need to define the process to be followed to establish a viable REDD market. Typically, other countries speak about “avoided deforestation”. It is important to understand more about how to implement such a project as well as issues related to the distribution of revenues. In this regard, there are a lot of opportunities for the DRC. The period of 10 to 15 years is only an estimate, it may be shorter. As for REDD itself, it is just one mechanism of a number of alternatives, but no alternative mechanism will be operational before two years. Brazil started working in this area 15 years ago.

**The issue of the terms and conditions of private sector participation in the REDD process was raised by participants.**

The presenter informed the participants that there are no conditions at all. In other countries, the private sector invests in carbon. Brazil is a case in point. The data that will be produced will allow the private sector to invest in this area in 10 to 15 years.

**A participant asked a question about forests that have been degraded by industrial logging. He wanted to know whether a different project proposal or another meeting is to be expected for such forests, or whether the present funding is for them as well.**

The presenter stated that at this stage REDD is not envisaged for reforestation / afforestation. This mechanism is provided in the Kyoto Protocol (Clean Development Mechanism) and not within the framework of REDD. However, this could change.

**Conservation agreements for forest communities: a pilot conservation concession: Frank Hawkins and Patrick Mehlman (Conservation International, United States of America)**

The project presented by Conservation International (CI) proposes the creation of a “Concession Project for Bonobos (PCCB)” in the Equateur Province of the DRC. The concession covers 681,000 hectares and is based on a model of a timber concession whereby a logging company pays the government a tax for the right to extract timber from a state forest zone.

However instead of cutting trees in the concession, investors pay three kinds of duties: (1) payments to the central government to preserve the forest; (2) payments to a local development fund to provide social and economic benefits to local communities living in the concession; and (3) payments to a management consortium composed of Conservation International, Bonobo Conservation Initiative (BCI) and local NGOs as they develop. The project will be founded on the principle of free, prior and informed consent.

This project has two objectives: 1) to preserve the environment while ensuring conservation and sustainable management of natural resources; 2) to reduce poverty by empowering local communities and building their capacities. To this end, Conservation International plans the following:

- a conservation agreement in the form of a “conservation concession”, a permanent production forest for non-extractive use of biodiversity;
- a 25 year concession which will be automatically renewable every five years if the results of the audit carried out periodically are satisfactory;
- an annual payment to the central government of the DRC;

- remittance of part of payment made to central government back to the provinces and territories (40%) , in accordance with article 122 of the Forest Code;
- financial and in-kind support for the development of the local economy at least equivalent to the provisions of Article 89 of the Forest Code governing the social responsibility clause of contracts (“*cahier des charges*”) with local communities.

Management plans developed for the proposed pilot conservation concession will be based on a land planning framework that will emphasise local community participation, collaboration with the government at the local level and conforming to planning process at the national level. Extensive consultations, appropriate activities for education and awareness raising and a participatory process for the development of a management plan will be conducted, using “information-exchange” methods developed by BCI. Specific strategies will be implemented in order to inform marginalised groups about the positive and negative consequences of the proposed management plans.

#### *Discussion*

**A participant wondered whether local communities are capable of organising themselves without getting embroiled in conflicts related to various interests at stake. He added that there is the issue of the timeline because (1) international rules and regulations are not clear; (2) before 2012 nothing is stipulated (with respect to an international agreement on carbon); and (3) a data base must be developed and monitoring must be in place before investors can be attracted.**

The presenters noted this comment.

**A participant asked the following question: what price do you envisage for a ton of carbon and what is the timeline for carbon revenue to materialise?**

The presenter answered that that it was not envisaged at this stage that this project would become a carbon project. This is not excluded but it has not yet been discussed with the Government. However, the price applied in other countries is US\$5 per ton.

**Another participant wanted to know the real level of participation of local communities in the design of this proposal. He noted that the presenter of the model had spoken about “pockets of resistance” while the real problem lies in understanding of the project by local communities. The latter need to be allowed time to understand the project.**

The presenter explained that at this workshop CI presented a concept paper. In the development phase local people will need to be consulted. Socio-economic studies will be undertaken in the development phase and may take 2 years.

**A participant raised the issue of the calculation of the compensation of fiscal revenues and enquired whether the cost of the alternatives to be proposed to local communities had been taken into account.**

Addressing this concern, the presenter explained that market opportunities related to carbon may be supported. Development options are more numerous than before and that we should not limit ourselves to what is happening today.

**A participant pointed out that there was a wide gap between managers and all those who hold power (traditional chiefs, religious leaders, etc.). The latter should be integrated. The challenge, he added, does not lie in management by local people but rather in establishing a link with government policies.**

The presenter thought that the comment was a good one and promised to integrate it in the project.

**Developing local community forestry management as a contribution to poverty reduction in the Democratic Republic of Congo: *Jean-Luc Roux (Forests Monitor, United Kingdom)***

According to the representative of Forests Monitor, this project aims at contributing to the development of a community forestry system which is adapted to the DRC. The term “community forestry” (sometimes called “social forestry”) is used in its widest sense as the control and management of forests by rural people for their own benefit. The exploitation of resources (timber, payments for environmental services, non-timber forest products, tourism) may be by the community itself, by a community-based enterprise, or by outside enterprises under a fair contract with the community. Forests Monitor proposes to work with both communities and the Government in order to prepare a road map for the realisation of rights allocation and management of forests by communities.

The presenter underlined that the first objective of the 15-year programme is to contribute to the widespread uptake of appropriate community forestry for the DRC which will enable reduction in poverty and empower rural communities to manage in a sustainable manner their own forests and revenues. In order to achieve this ambitious general objective, there is a need to contribute to three specific objectives. First, to develop approaches that are adapted to community forestry and that can work in the DRC. Secondly, to develop laws which are clear and recognise the rights of rural people and communities over their land and natural resources. Thirdly, to create an environment in which all sectors of society support and

contribute to the constant development of community forestry through adequate institutions (of the Government, civil society and the private sector) and to the formulation of suitable policies and laws.

With respect to the timeline of this project, Forests Monitor proposes that it be divided into three key phases of 5 years each. The first phase will aim at establishing pilot sites to test with communities various ways of managing and drawing economic benefits from their forests. Ideas and solutions developed in the field would be fed into the development of national policies and to laws, helping to make land ownership and exploitation rights secure. It would also work to define communal management structures and the development of government support institutions and policies. The second phase would consist of putting in place means that would allow community forestry to move from the pilot phase to a national forest management system, with adequate support from the government. The third phase would aim at moving from donor assistance to self-sufficiency.

However, Forests Monitor recommends that before starting such an ambitious and complex project, in which knowledge of official community forestry is limited, an 18 month preparatory phase be seriously considered.

#### *Discussion*

**A participant wanted to know how this project will build on the very advanced FAO project on community forest management in the DRC and how the DRC will benefit from it.**

The presenter stated that the FAO initiative is undoubtedly producing results but, considering the specific character of each site, a complementary project is necessary. This is not an “off-the-shelf” but a tailor-made project which takes into account the realities of the political context and local conditions in the DRC. The results that have already been achieved will be built upon through exchanges within the steering committee of which FAO will be a member.

**A participant raised the issue of capacity building mentioned in the project and wanted to know at what level this would be undertaken.**

The presenter explained that this relates to the capacity building of the Ministry of Environment, Conservation of Nature and Tourism, including the unit that is in charge of community forestry. Capacity building of civil society is also envisaged, including on-the-ground training of local communities within the framework of zoning.

**A participant observed that FAO have also planned to set up a steering committee. He advised that the creation of two similar and parallel initiatives should be avoided.**

The presenter explained that the steering committee that is mentioned in this project should be initiated by FAO. Therefore, there would not be a parallel structure. The project, as much

as possible, is based on existing structures. PNFoCo would be responsible for coordinating the initiatives.

**A participant emphasised the need to ensure the activities to be undertaken will be sustainable.**

Forests Monitor has taken into account this issue in the design of the project. This is what explains its “entrepreneurial” component. Emphasis will therefore be put on communities which have already identified activities. The idea is to link local initiatives to national and possibly international markets.

**A participant wanted to know if time can be saved and benefits can be evaluated.**

The presenter stated that it was preferable to move slowly now and thus save time in the future. As for benefits, it is not possible to evaluate them now especially since some benefits have no monetary value. How can one put a figure on the empowerment of a community? In Ituri, for instance, illegal logging by local communities mainly benefits traders and processors in Uganda, who add greater value to the timber, rather than Congolese artisanal loggers. By addressing this problem, the DRC could bring greater revenues to Congolese forest communities.<sup>1</sup>

**A question was asked about the difficulties of implementing the project over 18 months, about building the capacity of the actors, and the need to harmonise the project with other existing initiatives.**

The presenter emphasised that the project is designed with a long-term vision of 15 years and that the timeline of 18 months only relates to the preparatory phase of the project. Capacity building is an activity that will relate to all the actors involved in the project: the staff of the Ministry of Environment, civil society, and local and indigenous communities to enable them, for instance, to effectively participate in the participative zoning process. Considering the vast expanse of the country and the diverse situations that it presents, the study will be conducted on 2 or 3 sites during the preparatory phase in order to better understand the various types of situations in terms of populations and their everyday life. This period is devoted to a survey which will form the basis for further activities and for the drafting of laws for community forest management in the DRC.

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<sup>1</sup> “Timber Trade and Poverty in the Upper Great Lakes Region” by Forests Monitor, June 2007.

**Endowment fund for protected areas: *Brigitte Carr-Dirick (WWF CARPO Cameroon)***

In her introductory remarks, the presenter informed participants that in 2006-2008, with the support of the European Union (EU), the Congolese Institute for the Conservation of Nature (ICCN) underwent an institutional review in order to assess its status and to develop a medium to long term reform and capacity building programme. The objective of this programme was to improve its capacities to implement national conservation policy on the ground.

One important aspect of the review relates to the issue of increasing long-term funding for conservation activities in the country. One of the recommendations of the review was the creation of an international trust fund. With such a fund, the revenues of the capital invested in international financial markets would be used to fund conservation activities in the country on a sustainable basis. This recommendation was partly based on the positive results achieved by similar projects in Africa, such as the “*Fondation pour la Biodiversité et les Aires Protégées*” in Madagascar and closer to the region, the “*Fondation pour le Tri-National de la Sangha*” created in early 2007.

The presenter explained that the principle on which the endowment fund is based consists of investing the capital. The revenue from this investment is used exclusively to fund a specific objective (a protected area or network of protected areas, sustainable management of natural resources by local communities, etc.). The essential elements of the endowment fund are:

- a private legal structure: “trust fund”/foundation;
- a mixed and independent board of directors;
- a multiform fundraising strategy;
- a financial structure (endowment/reserve); and
- an investment strategy: international markets – with a balance between risk and returns – under the supervision of a portfolio manager.

The presenter reviewed the present status of an endowment fund for DRC. She reminded the participants that the creation of the fund was recommended by the institutional review of the ICCN in 2006. The fund was also noted in the Brussels Declaration of February 2007. The Belgian Government made a commitment to allocate €1 million to the fund, including a contribution to the creation process. A project proposal was submitted to the Belgian Government with the support of UNESCO and WWF. Finally, the presenter pointed out that there is an agreement to integrate the funds of the Belgian Government with the multi-donors’ common fund.

To conclude her introductory remarks, the presenter outlined the following steps for implementing the model:

- effective fundraising for the creation process: Belgian Government/others?
- a small group of key actors starts up preparatory work immediately;
- a steering committee made up of a dozen members is put in place;
- the creation process is coordinated by a national facilitator chosen by the steering committee;
- detailed definition of the “profile” of the fund;
- legal documents are written and registered;
- operational and strategic tools are defined.

#### *Discussion*

**A participant asked what the eligibility criteria were for protected areas and the type of projects that local communities may submit.**

According to the presenter, there are no pre-defined rules. Therefore, it will be the responsibility of the board of directors to decide on this issue.

**Another participant noted that the funds risk being used for the sustainable management of forests while it is well known that the aim of protected areas is conservation.**

For the presenter, most of these funds take into account the dynamics of protected areas although the law is silent on the role of ICCN in the areas adjoining protected areas. For information, the ICCN is negotiating with the World Bank regarding funding for activities for populations living around the Garamba National Park (PNG) and the Virunga National Park (PNVi).

**Is it possible to make a comparison with the experience of Madagascar?**

The presenter responded positively and explained that there are many similarities. The DRC could, therefore, benefit from the lessons learned in other places. It is for this reason that the implementation of this initiative will be faster in the DRC.

**Debt conversion for environmental finance: *Christophe Besacier (Ministry of Foreign Affairs, France)***

The presenter of the model explained that the strategic intervention framework for French cooperation in the DRC is the Partnership Framework Document (“*Document-Cadre de Partenariat*”, *DCP*) signed on 24 March 2007 by President Joseph Kabila and the French Minister of State in charge of Cooperation and Francophonie. This document defines the areas of French cooperation over 5 years (2007-2011) and integrates environment and biodiversity as a focus for French bilateral aid.

France has undertaken to use all the financial tools available in its cooperation operations (“*Fonds de Solidarité Prioritaire*”, “*Fonds Français pour l’Environnement Mondial*”, budgetary aid, and financial tools of the “*Agence Française de Développement*”) and, notably, debt conversion within the framework of the Heavily Indebted Poor Countries (HIPC) initiative with the signing of the contract for debt relief and development (“*Contrat Désendettement et Développement*, C2D). As soon as the DRC has met the requirements for restructuring its debt within HIPC, part of the funds made available under the C2D will be allocated to the forest/biodiversity sector in accordance with the thematic priorities defined in the “Bikoro Declaration” and the Partnership Framework Document (“*Document-Cadre de Partenariat*”).

Debt relief in the countries of the Congo Basin allocated to the Forest-Environment sector requires (among other things):

- That the country will be eligible under the HIPC initiative: a global mechanism aimed at reducing the debts of highly indebted poor countries which implement adjustment programmes supported by the IMF and the World Bank;
- The integration of the forest-environment sector in the Poverty Reduction Strategy Paper is an essential requirement for allocating resources to the sector within the framework of the commitments made by States under HIPC;
- The integration of the forest-environment sector in the Partnership Framework Document, signed between France and partner countries in Central Africa.

Cameroon and DRC (with Congo Brazzaville) meet these conditions and can, consequently, benefit from debt relief from France within the framework of the HIPC initiative. The additional instrument for cancelling 100% of the French debt for eligible countries is the C2D.

The presenter reviewed the means of implementation of a contract for debt relief and development, which are the following:

Essential requirements:

- Reaching the completion point of the HIPC initiative;

- Management of natural resources included in the PRSP with recognised impact in the fight against poverty of the people of the country that is beneficiary of C2D.
- Existence of a sectoral policy/strategy (such as PNFoCo) on the priority areas for allocation of the C2D.

Allocation criteria:

- Possibility of fast disbursements;
- Ownership of the assistance and of the sectoral programme by the indebted country;
- Harmonisation among donors of the aid given to the sector;
- Transparency and traceability of C2D funds.

#### *Discussion*

**A participant wanted to know why the debt relief of the DRC cannot be dealt with outside the HIPC initiative.**

The presenter explained that this issue had already been discussed at the meeting in London in December 2007. The DRC has signed a partnership agreement with France (the Partnership Framework Document). Since the two countries are bound by a contract which defines the terms of cooperation, it is not possible now to change the provisions. Furthermore, France has to show solidarity with other development partners who apply the debt relief mechanism through the HIPC initiative.

**Another participant pointed out that the debt of the DRC was contracted by the Congolese Government under well-known circumstances. Since the people were not consulted and have not benefited from this, the participant wanted to know whether it is not possible to do something for civil society and local people.**

The presenter explained that the allocation of future debt conversion to the PNFoCo do not exclude actions to support civil society. It is also important to mention that debt conversion is not the only available mechanism and that there is, for instance, the Social Development Fund of the French Embassy.

**Tuesday 24 June 2008**

## Session I: Proceedings and reports of the discussion groups

On the second day, the workshop continued in working groups which discussed in detail the models presented the previous day. They were asked to consider the following aspects of the proposed models:

### 1. Advantages and drawbacks

- Feasibility;
- Effectiveness.

### 2. Main issues

### 3. Next steps for the implementation of the projects in the DRC

- What measures?
- Who must do what? (The presenters of the proposal, Congolese Government, donors, civil society and the private sector)
- When? (a realistic timeline for the measures to be taken)

## Group 1: Carbon finance in the DRC

### *Working group*

Group 1 was made up of 17 participants: Jean Noël Marien (CIRAD) (chair), Andrea Cattaneo (WHRC), Clément Mbumba Kanda (Ministry of Environment, DRC), Modeste Kisangala (UNIKIN), Richard Eba'aty (FORAF), Richard Tambwe Mutindi, (Ministry of Environment, DRC), Judith Verweijen (Greenpeace International), Didier Devers (FORAF), François Makoloh (WWF-RDC), Nikki Reisch (Rainforest Foundation), Guyguy Mangoni (OSFAC/CARPE), Adrein Sinafasi (DIPY), Musey Nsanga (Ministry of Environment, DRC), Adolphine Muley (UEFA), Paul Kasongo (Maniema Libertés), Noël Mbungu (Ministry of Environment, DRC), Kai Schmidt Solder (Prince's Rainforests Project).

The presenter of the model recalled his presentation, and underlined the following points of the proposal:

### *Advantages*

- The methods to measure carbon stock emissions will be improved;
- The capacities of national and/or local institutions to create basic information and to evaluate the carbon potential of the country will be reinforced, in particular, the capacity of the “*Service Permanent d’Inventaires Forestiers (SPIAF)*”;
- A GIS system to enable the prediction of carbon flows will be developed..

### *Constraints/feasibility*

- The group highlighted that the REDD mechanism is currently difficult to implement and will for now bring few funds to DRC, and so it is necessary to find other financing mechanisms.
- REDD has considerable potential. Negotiations continue, but it is not yet known how the countries of Central Africa will be able to benefit.

### *Next steps*

- This project is highly relevant given the potential future importance of REDD, and its results will be timely for the development of projects and negotiations (Kyoto, Bali,..)
- It must be based on true participation with all stakeholders, taking into account the information already known.
- Taking into account the biodiversity of DRC, it is necessary to prioritise work at the sub-national level.
- This project must take into account the methodology developed by the Congolese government for the implementation of REDD in the country.

### *Timeline*

- Report completed and distributed by mid-July.
- Consultations undertaken on expectations and objectives.
- Drafting of the project with partners.

*Discussion*

**A participant asked what the position of the Congolese government on REDD was.**

The presenter informed the group that WHRC’s proposed research had been requested by the government. The ideas presented had been approved by the government before they were presented to the workshop.

**A question was asked about how REDD would cover the country.**

The presenter explained that when the proposal was developed, the idea was to achieve a general coverage of the country through sampling, since the available resources will not enable WHRC to cover the whole country. Work had to start somewhere to enable data collection. The project is still in early stages and close collaboration with the Government and other partners is sought. It is therefore likely to be redirected substantially.

**A participant emphasised that REDD is first of all a political issue and, therefore, it is important to start with political issues. Furthermore, issues relating to land rights and user rights need to be addressed in order to solve the issue of carbon ownership. Poverty reduction should be the priority.**

A representative of the Congolese Government supported this position, summarising the issue of carbon markets. He stated: “We have a lot of forests; they render enormous environmental services to the international community. It is, therefore, legitimate that we are paid in return. When we ask this question, they respond with complicated mechanisms. They tell us that if our carbon stock increases, we will be paid. However, we will not be paid if our stock decreases.”

**A participant emphasised that it was important, in the discussion of REDD, to deal with the issue of carbon stock since the flow and stock are two different things.**

The discussion group highlighted the need for reliable measurements of carbon that may be used as reference for the estimate of both stocks and flows of carbon in order to develop reference scenarios. This quantification will be important because it will allow identification of the level and the main sources of forest degradation.

**A participant wondered whether the project was too ambitious and wanted to know what the expectations were.**

The presenter of the model explained that the starting principle is that there is a need to agree on the project first and then discuss the manner in which to implement it by proposing a credible methodology.

**A participant suggested that there was a need to consult as widely as possible on the Congolese government’s proposed methodological and strategic approach for its involvement in REDD.**

The presenter assured the group that as far as modalities were concerned, the future project will be redesigned based on a common definition of expectations and prior ownership of the project by national and local actors.

**The presenter was asked to explain the low level of prior consultation during the drafting of the document.**

The presenter answered that the project had to investigate the different aspects of the REDD process and to identify those who had worked on the subject in order to deepen collaboration with them. A closer collaboration had already been established with the Government and other partners. The project is at its beginning, and it is open to any form of collaboration and partnership. A draft developed after a wider consultation will be produced later.

**A participant wanted to know the reason why palm oil was chosen as the only alternative to the sustainable management of forests, and whether oil palm was a priority within the programme of the Congolese government.**

The presenter explained that palm oil plantations are linked to future opportunities because the Ministry of Agriculture intends to launch palm oil production in the near future. However the objective of the project is not to encourage the production of palm oil but to produce a study of whatever is taking place on the ground in order to find out how to make REDD profitable for the DRC.

From this discussion the following points were highlighted:

### **Convergences**

- There is a need to measure the carbon stock of the DRC through more advanced field studies;
- REDD could be a potentially important source of revenues for the country;
- There is a need to have more reliable methodology for measuring the carbon stock and designing reference scenarios.

### **Divergences**

- The issue of the time needed for the implementation of a REDD project divided the participants;
- Conflicting views were expressed on the main drivers of deforestation/degradation.

## **Group 2: Conservation contracts with forest communities**

### *Working group*

There were the following 20 participants in Group 2: Théodore Tréfon (chair), Patrick Mehlmann (CI), Crispin Mahamba (Lola ya Bonobo Sanctuary), Françoise van de Ven (FIB), Lisa Steel (WWF), Florence Mazzochetti (AWF), Alejandra Collomb (AGRECO), Petres Ndongala (MECNT), Camile Nsimanda (UNIKIN), Gerard Mongeke (Ministry of Environment, DRC), Norbert Endoto (Province Equateur), Yvonne Risasi (ALFED/RRN), Marie-jeanne Nsono (RRN/ECC) Michael Hurley (BCI), Somwa Kihassula (Ministry of Environment, DRC/Prov Orientale) Dieudonné Nzabi (RRN/Equateur), Reiner Tegtmeyer (Global Witness UK), Pascal Biseka (Ministry of Environment, DRC /Equateur), Ghislain Masengo (FEC/Kinshasa), René Bofaya (ADCN/ Kinshasa), Frank Hawkins (CI-USA).

The group discussions were introduced by recalling the important aspects of the proposal under review

### *Objectives of the proposal*

- To create a market link between the DRC and the international community by providing compensation for all forest services (carbon, biodiversity, water regulation, cultural values, etc.).
- To create conservation concessions in zones which were otherwise meant for logging;
- To make conservation agreements one of the strategies of REDD for the forests concerned;
- To find model legal conservation contracts which include long-term commitments binding several partners, including the Government, investors, concession holders (private, national or international NGOs, et.) and local communities (indigenous people) who are their main beneficiaries. These contracts will allow poverty reduction by empowering and building the capacity of local communities.

### *Advantages*

**For the Government:** The implementation of this project in a number of locations will allow the Congolese Government to collect stable revenues in the long term. This would also encourage devolving responsibility for management of the environment to communities.

**For local communities:** In the short to medium term, they will develop the capacity to sustainably manage natural resources. This will result in the stabilisation of access to land and resources.

**For investors (e.g. CBFF, philanthropic foundations, NGOs and other private sector actors ...):** They will be able to invest in the carbon market.

**For concession managers:** The management of biodiversity in a large area could be improved.

### *Constraints:*

- There is no legal framework relating to this new vision.

### *Challenges:*

- The concession will be difficult to manage because of its large size and relations with the neighbouring communities.
- Local communities need to understand the project and be involved in its implementation.
- It will be necessary to consult local communities before the start of the project.

### *Next steps*

**Prerequisites:** Within the framework of a conservation agreement modelled on a conservation concession, a number of prerequisites need to be urgently met, including:

- Criteria for selecting the sites, since conservation areas will not yield the same levels of revenues for the local population;
- Detailed examination of the legal framework of this type of concession;
- Feasibility studies, including micro-zoning;
- Definition of modes of management;
- Implementation of the terms of reference (“*cahier des charges*”);

- Availability of secure funding.

### **Implementation**

- Selection of one or several pilot sites;
- Participative consultations with Government authorities and subsequently with other stakeholders, including representatives of civil society and local and neighbouring communities;
- After the consultations, working in partnership with the Government in the implementation of a legal framework;
- Disbursing funds in order to launch the project and defining clearly funding for local populations;
- Delimitation and zoning of the selected sites followed by mapping.

### **Actors**

The actors who will implement this project will include the consortium of the project initiators and the other stakeholders, including the provincial advisory boards, representatives of civil society, local and traditional communities.

### **Timeline**

- Putting in place an executive committee made up of all the members of the consortium of initiators, 3 technical staff members of the Ministry of Environment, 2 staff members of ICCN, 2 parliamentarians (including one provincial and 2 national parliamentarians), 2 representatives of civil society and 2 members of local communities (depending on the sites selected for the launching of the project).
- Identifying and selecting pilot site(s): 30 days. Selection criteria for sites need to be defined;
- Zoning and mapping: 60 days;
- The rest of the process will be determined by the steering committee.

### *Discussion*

**One participant noted that the presentation did not mention the communication aspect of the proposal which should play a fundamental role in the implementation of any project.**

One of the presenters answered that all the stakeholder consultations can only be conducted using a variety of communications. During the consultations with the communities, a “development-service” mechanism will need to be created, in accordance with the methodology of conservation agreements, developed by the organisation in charge of mediating with the local communities and the Government. Appropriate activities related to education and awareness raising, and involvement of the whole community in the development of the management plan will need to be undertaken.

**A participant wanted to know whether the group had examined in detail the issue of “free, prior and informed consent” which had been mentioned in previous sessions.**

One of the presenters acknowledged that such a project cannot succeed without the consent of the people who are directly concerned. Before the ratification of these agreements by the forest communities, the latter will have to express themselves freely and in a consistent and well-considered manner so that their concerns can be taken into account and integrated in the overall forest management plan. It is a process and the project is not set in stone, but it will adapt as it progresses.

**A participant wanted to know if the concession holders will be obliged to consult the local communities regularly.**

The presenters explained that, in this type of project, two things are important: harmonious co-existence and collaboration. Since the project relating to the development of forest conservation concessions represents a new vision in the history of the country, it will be a long process which will need to be evaluated along the way with the necessary involvement of the forest communities concerned. In a nutshell, all the stakeholders of the agreement will have a significant social, economic or political role to play in the management of community forests. So, the integration of the current systems of forest management and the total participation of the local communities are essential.

**A participant pointed out that indigenous people were not mentioned in the project. They need to be distinguished from local populations.**

The presenters of the project noted the remark and promised to take it into account.

**Two participants raised again the issue of the replacement of logging concessions by conservation concessions and asked the following questions: a) Is it necessary to replace logging concessions with conservation concessions? b) Will the old logging concessions be converted into new conservation concessions? They emphasised that,**

**if this is the case, these concessions will need to be classified and/or declassified and to specify what will happen to the old concessions.**

The presenters underlined that market forces will decide on the model which will be eventually implemented. Neither one of these two models can be imposed out of hand. Regarding the old logging concessions, not all them will be considered. Congolese laws will define the terms for classifying or declassifying the forests and will decide what will happen to the old concessions.

**A participant observed that the new Forest Code does not have any provisions for creating and managing forest conservation concessions in the DRC. He wanted to know within what legal framework this was possible.**

The presenters acknowledged that they do not address legal issues in this proposal but they advised that as soon as the project has been validated by the Government, civil society and local communities, priority will be given to finding a legal framework for its implementation. Without resorting to a complete review of the Forest Code, Parliament could enact a special law.

**A participant wanted to know what the likelihood is of such a project being successfully implemented.**

According to the presenters, new models of natural resource management are a new experience in the Congo Basin. Either logging or forest conservation will prevail.

The following convergences and divergences arose from these discussions:

### **Convergences**

- Putting in place a steering committee made up of the Government, civil society, investors and local communities;
- If funding is available, the projects will start immediately (implemented according to the proposed timeline);
- Involvement of pygmy communities in the management of the new forest conservation concessions;
- These projects must increase the State revenue and satisfy the socio-economic concerns of the forest communities;
- Periodical evaluations of project management;
- Prior launching of pilot projects.

## Divergences

- Estimates of the annual rates of logging by indigenous people (for construction and charcoal) and industrial enterprises (timber);
- Simply converting logging concessions into conservation concessions or carrying out the conversion by compensating the old concessions;
- Compensating local communities for the loss of forests due to abusive logging by some companies (e.g. the Mayombe forest in the Lower Congo);
- Management of the new conservation concessions by the former holders of logging concession titles;
- A pilot site exists already in Equateur Province which does not take into account the standards discussed in this workshop, including consultations with local communities.

## Group 3: Developing local community forestry management as a contribution to poverty reduction in the Democratic Republic of Congo

### *Working group*

There were 28 participants in this group: Jerome Lewis (UCL) (chair), Hervé Bourguignon (IFIA), Gilbert Manunga Mara (Ministry of Environment, DRC), Jacques Bakulu (CEPECO), Leal Iola (FERN), Ferdinand Mayuku (MECNT), Ruffin Ngwizani (Ministry of Environment, DRC), Ayodele Balogun (Prince’s Rainforests Project), Augustin Mpoyi (CODELT), Alain Rousseau (SNV), Jean-Luc Roux (ForestsMonitor), Frédéric Castel (GRET), Denis Mahongol (FAO), Joseph Katenga (GEEC/ Ministry of Environment, DRC), Samuel Bada (MECNT/Bandundu), Epoyo Manzanga (Ministry of Environment, DRC), Dieudonné Musibono (UNIKIN), Théophile Gata (RRN), Flory Faripont (CTB), Betty Nyimi (AMAR), François Paluku (CREF), Joseph Ilanga (Ministry of Environment, DRC), Jean-Pierre Esange (PABO), Jean-Claude Esuka (Exécutif Province Orientale), Bruno Perodeau (WWF-RDC), Eddy Nierynck (Coopération Belge), Jean-Claude Nguingiri (FAO) et Ferdinand Muhigirwa (CEPAS).

The group discussions began with an explanation of the proposal presented in the plenary session :

### *Advantages*

- Significant participation and enthusiasm of the populations;
- Identifying needs (which will vary from site to site) in the preparatory phase of the project;
- Mechanisms which ensure that communities benefit directly from processing and trading their produce (facilitating the sale of produce in local and international markets);
- Securing areas for communities (joining for active participation).

### *Constraints*

- Avoiding duplication of effort in drafting of laws;
- Taking into account existing initiatives on the ground (FAO, WWF);
- Adaptation mechanisms based on lessons learned elsewhere or in the DRC;

A means of taking into account these activities will be clearly articulated in the final version of the project proposal

### *Urgent project activities during the preparatory phase*

- Research into existing sociological and anthropological studies;
- Participative mapping of the activities of communities together with existing and recognised use rights;
- Work on land use issues with a view to recognition of the rights of those actors currently on the ground;
- Identifying potential resources for adding value on which the communities depend;
- Study on the resolution of existing land conflicts;
- Building on the study by FAO on the situation of community forestry in the DRC;
- Developing sustainable production systems, e.g. agroforestry.

### *Who does what?*

- While waiting for the provincial advisory committee to be put in place, work could be coordinated by the forest administration with the support of the FAO project as an interim measure;
- The relevant unit may take charge as soon as the provincial advisory committee has been set up.

### *Challenges*

- Project implementation runs the risk of being fragmented in a country as vast and diverse as the DRC. What activities will be undertaken in order to avoid this fragmentation? There will need to be a triangular relationship between the Government, international and local NGOs and populations.

### *Next steps*

Collaboration and harmonisation of the roles of the various actors:

- Putting in place a steering committee. The structure of the project may be adapted to the existing legal structures (national and provincial forest advisory councils) in the final proposal.
- Mission and role: direction, consultation and validation, review of the roles and responsibilities of the actors.
- Monitoring committee to be put in place as soon as the project becomes operational.

### *Discussion*

**The first speaker stated that the primary users of the forests are the local populations who are often considered as both destroyers and protectors of the forests. However, they have always been the protectors of the forests. Their activities make up their way of life. When innovations, such as community forestry, are introduced, restrictions may arise. In order to ensure a good level of participation, it is important to motivate people through development projects.**

According to the presenter of the model, this aspect is very important. The project was developed through a participative approach and field missions. In analysing the problem, the major challenge to note is summarised by the following equation:

$E = J \times T$ . The effectiveness (E) of the project depends on the joining of forest communities (J) and on the technical skills (T) that the project will bring. The involvement of local populations had been taken to be self-generated. The motivation of the population is not quantifiable because it is first and foremost moral.

**A second participant emphasised the need to identify the basic needs of the local population and the constraints that they faced. These constraints need to be turned into reasons for motivation. For example, populations may be motivated by the creation of markets for their agricultural and/or gathered products.**

**The third speaker recalled that one of the sites selected in the proposal is the Maringa-Lopori-Wamba site in landscape 9 where many international NGOs have been working for a long time but the local and indigenous populations still live in abject poverty. People always talk about the participation of the population and poverty reduction. However, the situation is alarming on the ground. People’s motivation is essential faced with the imperatives of poverty reduction.**

The objective of the project, the presenter explained, is the management of forest resources by the people for their own development, i.e. the improvement of their social, economic and ecological living conditions in a sustainable manner. The first phase of this project will emphasise aspects related to poverty. To this end, discussions need to be held with the populations in order to identify activities that are marketable and that they are interested in: agriculture, logging, timber processing, fishing, etc. This phase will also focus on involvement of the local population. What seems to be important at this stage is identifying issues for which there have been no solutions or those that have been badly dealt with. This would potentially lead to a change in direction.

**The fourth speaker pointed out that the project is based on current experiences. He wanted to know how the project has built on the work of FAO and its May 2007 workshop, and the work of WWF. Both organisations have experimental sites (FAO in Lisala, and WWF at LSC Ntumba, Salonga National Park and the Luki/Boma biosphere reserve). People participate if they believe that the activities will lead to the development of sustainable production systems, trading their products with added value, putting in place commercial links between the various actors in their territories. The environmental governance aspect also is of interest to local people. Where are all these elements in the project?**

The presenter recalled that the proposal assigns two objectives to community forestry: enabling forest communities (local and indigenous) to add value to natural resources and securing their rights. This is community forestry because rural populations control and manage forests in their own interest and resources (timber, payments for environmental services, NTFP, tourism) are used by the community itself, or by a community-based

enterprise or by external enterprises, within the framework of an equitable contract with the community.

**Other speakers confirmed that this experience could be good for the DRC but that community forest had already been launched by FAO/DRC in 2002. How could this project be integrated into this process? Further, with respect to the legal aspects, there are already drafts that are being discussed and will be finalised soon. It would be better to link this project to the ongoing process. We should also avoid focusing only on the forest law because other laws need to be taken into account, including the land tenure law which denies communities their traditional rights. How does this project deal with this law?**

The presenter assured the participants that the project will build on what FAO and WWF have already done. This is actually where the project starts. Unfortunately, the FAO study on the present situation of community forestry drew conclusions that have not yet been taken into account in the proposal. Nevertheless, solutions have already been found to some of the issues raised in it. This project aims to correct the work done by other partners on the ground.

Before developing the proposal and subsequently at every single phase of its development, FAO was consulted. All its contributions have been taken into account in the proposal. However, by emphasising the “local community forest” concept, the project presented here is truly innovative. Through the project’s steering committee, all the concerns relating to building on current experiences will be taken into account.

**The discussion on the proposal from Group 3 focused on transparency mechanisms and communication strategies and the empowerment of local communities in putting in place a structure at the local level in order to allow participative management which is a key feature of the project.**

The presenter recalled that communication between the various stakeholders has been covered in the proposal. The project proposes forums on local community forests, which will be organised every year, and these will guarantee transparency in the implementation of this new concept of forest management in the DRC. These forums will offer the opportunity to exchange experiences not only between various actors on the ground but also and especially between the various pilot sites. Participative mapping, that is being developed by the Natural Resources Network (RRN, a member of the consortium of the project), will be used by everybody to reflect on the benefits to be derived from the ownership and use of the forests.

A capacity building programme for local communities is provided in the proposal. The involvement of Congolese civil society, which works with these communities, will make it possible to take into account aspects related to community organisation. The organisational model will need to be adapted to the specific characteristics of each site. Laws will therefore need to be flexible and adaptable to the Congolese context.

The following convergences and divergences arose from the discussions:

### **Convergences**

- The proposal is innovative and offers many opportunities for the development of local and indigenous populations in the DRC. The forest populations could certainly benefit a great deal from this project.
- It is important that the project identifies and takes into account the needs of communities – which will be different from one site to the next – in the preparatory phase of the project.
- Mechanisms need to be put in place in order to guarantee direct benefits to communities through the processing and marketing of their products (facilitating the selling of products in local and foreign markets).
- The structure of the project will be adapted to existing legal entities (national and provincial forest advisory councils) in the final version of the proposal with the following objectives: directing, consulting, validating and reviewing the roles and responsibilities of the various actors involved.

### **Divergences**

- Creation of a technical group in charge of building on existing experiences.
- Technical secretariat in charge of implementation and monitoring.
- A platform, including networks, for building on field experiences.

### **Group 4: Endowment fund for protected areas**

#### *Working group*

Sixteen people participated in the discussions of this group: Alain Gallez (Belgian Embassy) (chair), Nina Landu (ICCN), Jaap Schoorl (GTZ), Gode Ndaukila (IUCN), Richard Tshombe (WCS), Brigitte Carr-Dirick (WWF-CARPO), Flory Botamba (CRON), Rodine Tchiofo (CIRAD, Cameroun), Roger Muchuba (RRN), Kankonde Mukadi (World Bank), Jacques Ntunguni (COMIFAC), Sylvie Dzbo (Ministry of Environment, DRC), Léopold Kalala (Ministry of

Environment, DRC)), Kanu Mbizi (Ministry of Environment, DRC)), Geert Lejeune (WWF Belgium), et Mutambwe Shango (ERAIFT).

Group discussion began with a review of the objectives of an endowment fund. There was broad consensus on the following points:

#### *Advantages*

- It allows the forecast of revenues on a long term basis;
- Transparent governance;
- It increases the mobilisation capacities of communities and other stakeholders.

#### *Constraints*

Besides the constraints presented by WWF-CARPO in the plenary session, the group identified the following additional constraints:

- The need to negotiate with donors in order to avoid prior allocation of funds;
- The need to ensure that all the stakeholders are represented;
- The need to have a steering committee which is enthusiastic and motivated.

#### *Next steps*

- End of June 2008: a small team is put in place and holds its first meeting.
- End of July 2008: the terms of reference of the steering committee are drafted.
- 15 September 2008: the steering committee is put in place;
- 7 October 2008: first meeting of the steering committee.

#### *Discussion*

##### **The issue of representatives from civil society was hotly debated.**

There were two conflicting points of view. According to the first point of view, civil society should not participate in the management of this fund because it would not be organised enough to choose its representatives and because of lack of expertise. The second point of view, on the contrary, supported the idea that civil society was therefore able to participate and to choose representatives. To prove this point, it was argued that civil society had

unanimously agreed to assign its presentation to the Natural Resources Network. The participants finally accepted the principle of having civil society representatives involved in the management of the fund.

**Other issues discussed in Group 4 related to the costs to be borne by the endowment fund as well as the interest rate charged by banks.**

It is clear that the endowment fund will only pay for the recurrent costs (operating costs) and not the investment costs of protected areas. Regarding the interest rate, this is generally between 5% and 8%.

**A participant asked if only one objective was envisaged for the fund.**

The presenter explained that the project has just one objective, i.e. funding protected areas, but this is an inclusive objective which may be extended to funding the development and implementation of management plans for protected areas. One should not forget that other funds are available for protected areas.

**A participant asked if the fund already had financial support.**

To date, Belgium has committed €1 million to the fund, including a contribution to the creation process. Furthermore, funding some studies related to creation of the fund by the GEF/World Bank is being considered, according to a representative of the World Bank who was participating in the discussion.

**Another participant asked for an explanation of how administrative costs will be avoided while it is also proposed to have 15 people involved in the management of the fund.**

The presenter stated that the steering committee is a temporary structure whose mission is, among others, to facilitate the finalisation of the elements that are required to create the Fund and put in place its management bodies. It will be dissolved as soon as the Fund has been created. The bodies in charge of management – the Board of Directors, the Management Council, etc. – will be created later. It will be voluntary work, and so motivation is needed to make a personal commitment to devote the time to meetings and other activities of the fund.

**Convergences (on putting in place the support structures)**

The small team will be made up of 5 members, selected after consultation with the Minister in charge (Minister of Environment of the DRC). Its mission will be to continue raising awareness among the various partners on the concept of an endowment fund for conservation; to ratify the terms of reference of the creation process based on a document presented in Kinshasa, and to set a detailed budget and organise the first meeting of the steering committee.

The small team will be made up of

- 1 representative of the Ministry of Environment;
- 1 ICCN representative;
- 1 member of civil society
- 1 representative of donors;
- 1 expert in sustainable funding of partner NGOs.

The steering committee will be made up of 15 people:

- 4 Government representatives;
- 4 representatives of development partners;
- 2 representatives of the private sector;
- 1 representative of academia;
- 3 representatives of civil society;
- 1 representative of Parliament.

### **Divergences**

- Participation and number of representatives of civil society in the steering committee of the endowment fund;
- Non-political representatives of the Government in the steering committee.

### **Group 5: Debt conversion for environmental finance**

#### *Working group*

The group was made of 8 people: Patrick Salles (AFD) (chair), Christophe Besacier (Regional adviser on Forest-Environment, French Embassy to Gabon), Victor Kabengele wa Kadilu (Ministry of Environment, DRC), Mathieu Yela Bonketo (civil society), Lizzie Parsons (Global Witness), Willy Loyombo Esimola (OSAPY), Félicien Mulenda (Ministry of Finance, DRC), Indjassa Germain (AWF).

The group started its discussions by reviewing the current situation of Congolese debt and the potential for action within the forest-environment sector. This is characterised by:

- The debt of the DRC which amounts to US\$11 billion.
- A transition period coupled with a moratorium that may lead to completion point under HIPC. This would result in the cancellation of 90% of the external debt of the DRC;
- The current deadline for achieving completion point is set at / hoped for in mid 2009;
- The existence of a National Forest and Conservation Programme (“*Programme National Forêts et Conservation*”, PNFoCo) which sets out DRC’s policy direction relating to the sustainable management of forests and ecosystems.

It is in this context that France has proposed, conforming to the objectives of the Partnership Framework Document signed in March 2007 between France and DRC, to allocate part of the future Debt Relief and Development Contract (C2D) to the financing of certain aspects of the PNFoCo, after the achievement of the completion point by DRC.

#### *Advantages*

- According to the C2D process, it is quite likely that the allocated funds will go to the sector selected jointly with the DRC government, which will result in a visible impact on poverty reduction, as articulated in the PRSP.
- Visible impact on poverty reduction.

#### *Constraints*

- There is a psychological factor for indebted countries (above all for the finance ministry) that tends to create an impression that the debt has not been cancelled, since it is necessary first to pay the amounts owed by DRC to provide the C2D with the funds intended for financing the priority sectoral programmes aimed at tackling poverty.

#### *Effectiveness*

- The idea is good but seems to raise a problem of applicability for the DRC’s Ministry of Finance in the sense that before the country reaches the completion

point, the converted amount will be allocated to the HIPC account, but after the completion point, the Ministry of Finance hopes that the debt is simply cancelled (without compensation in terms of the allocation of resources as is the case with a C2D).

- In spite of the fears expressed by the Congolese administration, the experience of France in Cameroon and Madagascar where C2D has been implemented, with a significant allocation to the national forest-environment programmes, has shown this to have worked very well for some years.

### *Challenges*

- To fund the financing deficit for PNFoCo which is currently estimated at about US\$400 million, compared to the necessary total figure of US\$500 million over a 5 year period for implementation of PNFoCo.

### *Next steps*

- To organise a meeting of the Group 5 before December 2008 in order to continue the discussions relating to the objective of reaching the completion point of HIPC and submit the conclusions to Thematic Group 13 (Environment, Water, Sanitation and Forest) in DRC.
- To send a joint mission of the Ministries of Environment and Finance to Cameroon, to be joined by the Public Debt Management Office ("*Office de Gestion de la Dette Publique*", OGEDEP) and civil society, in order to examine the successful experience of debt conversion for financing the forest-environment sector in Cameroon.

### *Discussion*

**A participant asked whether France intends to use the HIPC initiative to clean up pollution on the Atlantic Ocean in Muanda, which was caused by PERENCO, a French oil company.**

The presenter replied that, to his knowledge, the French Government was not responsible in this case. As no representative of PERENCO was in the room, it was not possible to address the problem raised by the civil society representative.

**What mechanism has been put in place to monitor and control French debt relief for the DRC? How will France ensure that the Congo keeps and implements its commitments? What would France do if ever DRC does not meet its commitments?**

The presenter explained that, after Congo has reached the completion point, within the framework of an agreement between the two States, funds from debt relief will be mobilised for reinvestment in the priority sectors identified by agreement between the two countries, with the signing of the Partnership Framework Document.

The agreements signed at the time of implementation of a C2D envisage putting in place a joint management committee of the C2D funds, bringing together the various stakeholders (including civil society). Thus, one can not anticipate the possibility of DRC not meeting its obligations while these agreements are not yet negotiated (awaiting the point of completion), but France believes that its partner will seize this opportunity to support the sectors that have been selected, such as health, education and the environment. France believes that DRC will fulfil its commitments, which will result in the cancellation of 90% of its public debt and allow it to benefit from the Debt Relief and Development Contract. Cameroon and Madagascar, also HIPC initiative beneficiaries, have already successfully tested this model, and so there is no reason why the DRC should not do just as well. It is in this spirit that the mission to share experiences between the DRC and Cameroon was proposed, in order to enable the preparation of the future C2D in DRC under the best possible conditions.

## **Session II: Discussion of directions and next steps**

During this session a general discussion allowed participants to express their points of view on important issues and/or the next steps. The following points were raised during this session:

### *1. Approach*

The forest sector must be dealt with in close relation with other sectors of the Congolese national economy. It is therefore important to develop a holistic, i.e. global, approach.

### *2. Legal/institutionnel framework*

In general, in the forest sector, the longer the transition period, the more illegality there is, and the less forest management contributes to the well-being of the populations. Since 2003, the DRC has been in a transition period which is far from over.

### *3. Capacity building*

Personal and institutional capacity building must not be limited to administration but should be extended to civil society, the private sector and local populations.

#### *4. Coordination*

It is necessary to put in place coordination of the various stakeholders and between the various administrative entities and, finally, between social groups. It is important, therefore, to identify the necessary methods and tools for this coordination.

#### *5. The role of the private sector*

The role of the private sector in the Congo Basin is undergoing a substantial change. Certification is increasing, with probably over 4,000,000 hectares that are due to be certified in the near future. Certified enterprises can contribute to raising awareness among local people. The private sector is showing a new sensitivity to social aspects, and the timber sector (formal and informal) could make a significant contribution to tackling poverty in the coming years.

#### *6. Local communities*

It is important to take into account the way that local communities are organised and to develop appropriate means of communication. Furthermore, the zoning process needs to respect customary rights.

#### *7. Transparency*

Transparency should not be a concern for the government alone but also for NGOs. Monitoring mechanisms must be put in place. All stakeholders must learn to account for their activities and have tools that facilitate monitoring.

#### *8. Sharing revenues*

The availability of new means translates into a new relation between sellers and buyers but the revenues generated must be related to the sustainable management of forests. During this workshop, the issue of access to and sharing of revenues/resources was not discussed.

### **Session III: Closing of the workshop**

The workshop was closed by a speech by the Congolese Minister of Environment, Nature Conservation and Tourism.

In his address, the Minister was very pleased by the common will of the Congolese government, donors, civil society and the private sector to work together in order to develop innovative instruments that may pay for the environmental services provided by the forests of the DRC and to implement the identified projects.

The Minister also dwelt at length on the ownership of the models presented during the Kinshasa workshop and the need to coordinate these models with other ongoing initiatives. To this end, he suggested that the Thematic Group, which already is a consultation framework between the government, donors and other stakeholders, should be the place where coordination and discussions take place with a view to make these mechanisms coherent with the Poverty Reduction Strategy Paper, the Government’s Priority Actions Programme (PAP), the priority agenda of reforms of the forest sector, and last but not least, the National Forests and Conservation Programme (PNFoCo).

The Minister assured civil society and development partners regarding governance of the benefits which will be generated by the new mechanisms and which will be intended for local populations. The Congolese government and the EU are already working together on a pilot project for 2 or 3 forest territories with a view to developing technical capacities for the rational and transparent management of the benefits derived from the forests.

Finally, the Minister recalled the measures that have been taken in order to finalise the implementation measures of the Forest Code and to apply the legal criteria.