



The National REDD+ Trust Fund of the Dem. Republic of Congo

Mobilizing climate finance for the development of the DR Congo

Starting in 2013, the Democratic Republic of Congo (DRC) will consolidate the REDD+ preparation phase and enter fully into the second phase of the REDD+ process, the investment phase. For this purpose, the Government has established the National REDD+ Trust Fund which will serve as the financial and operational arm for the implementation of the National REDD+ Strategy.

DRC's National REDD+ Trust Fund was established in November 2012 by the signing of a Memorandum of Understanding between the Ministry of Finance and the MPTF office of UNDP (<http://mptf.undp.org/>). The Fund will be operational at the first signing of a contribution agreement. An Operation Manual, available in 2013, will guide its functioning.

By establishing such a fund, the DRC has positioned itself as a pioneer, eager to access climate finance and strengthen its capacity to directly access the Green Climate Fund.

1. Objectives

- The National REDD+ Trust Fund aims to mobilize different sources of funding and to ensure coordinated allocation and optimal and transparent funding for the implementation of the National REDD+ priorities.
- Through the establishment of the National REDD+ Trust Fund, the DRC also intends to build its capacities in mobilization and results based payment disbursement; including measuring, reporting and verifying the results of the activities financed by the Trust Fund in a continual and transparent manner and in accordance with international standards and CCNUCC directives.
- Finally, the establishment of the National REDD+ Trust Fund will promote a Policy Dialogue for the identification and monitoring of reforms necessary for the success of REDD+ investments.

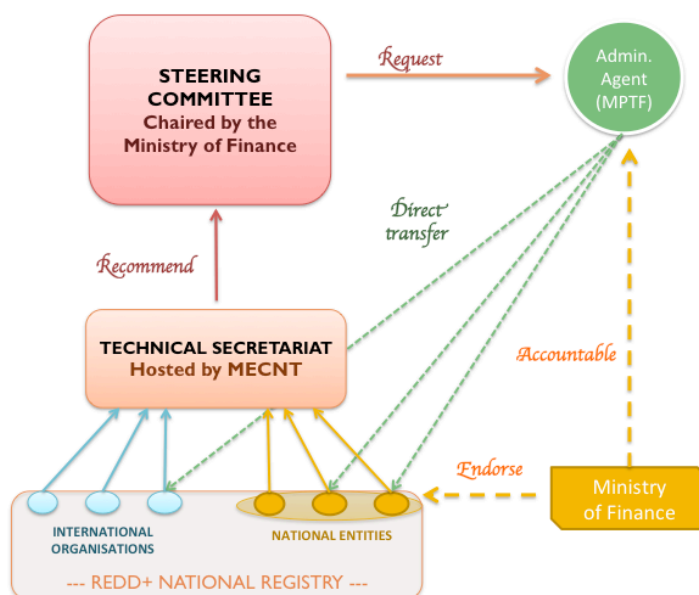
2. Governance

- Seeking a balance between full national ownership and alignment with international standards of fiduciary management, the Government has requested UNDP, through its Multi-partner Trust Fund (MPTF) office, to provide fiduciary management services for an interim period.
- In the interest of effectiveness, the governance structure of the Trust Fund will be set-up using a phased approach based on the level of activities of the Trust Fund. The Steering Committee will include a diverse range of stakeholders from the REDD+ process (Government, partners, civil society and private sector). The Technical Secretariat will be composed of high-level experts selected from a competitive recruitment process. The national bodies will have the opportunity to directly access the Trust Fund, following a positive assessment of their programmatic and fiduciary capacities.



Graphic: Institutional Arrangements of the DRC's REDD+ Trust Fund

The Technical Secretariat, led by the Ministry of the Environment (MECNT), is responsible for evaluating the project proposals submitted to the National REDD+ Registry. The recommendations of the Secretariat are forwarded for approval of the Steering Committee who then requests the Administrative Agent to transfer the funds to the implementing bodies.



3. Three funding windows

- The Trust Fund is intended to operate through three funding windows which differ in terms of funding arrangements and Measurement, Reporting and Verification (MRV) of results.
- The first window, dedicated to REDD+ investments and to capacity building, should in the first phase catalyze the largest share of investments. The two other windows, respectfully devoted to payments for environmental services and to REDD+ projects will test and strengthen the national capacity to access and disburse payments based on performance and also to implement efficient and effective MRV systems adapted to the different REDD+ activities financed by the Trust Fund.

	Financed Activities	MRV	Payments	Funding Terms
Window 1	<ul style="list-style-type: none"> • Capacity building • Sectoral investments • Enabling and integrated programs 	Traditional reporting (narrative and financial reports), based on the monitoring framework tied to the R-PP and the REDD+ strategy	Not based directly on performance but on the tangible progress of the National REDD+ process	Traditional/ grants awarded in installments
Window 2	Payments for environmental services	MRV based on 'proxies' (indicators which indirectly measure carbon performance)	Based on performance	Ex-post funding based on the verified delivery of the authorized environmental service
Window 3	REDD+ Projects	MRV carbon	Based on performance	Grant awarded to a carbon project validated under international standards

4. Principles and quality criteria for the Trust Fund

- The DRC intends, during the development of the Trust Fund's Operations Manual in 2013, to examine and address the challenges associated with the implementation of this innovative mechanism such as ensuring the quality control of projects and programs financed by REDD+, ensuring the application of socio-environmental standards, building rigorous monitoring and evaluation capacity integrated with the existing National REDD+ Registry, mitigating fiduciary management risks, guaranteeing a strict and rigorous selection process of national bodies with direct access, ensuring independent evaluation of the Fund and implementing an independent grievance mechanism.