



**global witness**

## **Readiness Preparation Proposal for the Democratic Republic of Congo**

**A joint statement from Global Witness, Greenpeace, FERN,  
Rainforest Foundation Norway and Rainforest Foundation UK**

15<sup>th</sup> March 2010

Global Witness, Greenpeace, FERN, Rainforest Foundation Norway (RFN) and Rainforest Foundation UK (RFUK) have followed the REDD process in DRC since its beginning. RFN and RFUK participated in the latest FCPF / UN REDD mission in February 2010, and have provided comments to previous drafts of the RPP. We are pleased to see that some of our comments have been taken into account. We also note that the language, which in previous versions of the RPP, prejudged the causes of deforestation, has been made more neutral. The RPP includes high quality analysis of the present state of affairs and main challenges in relation to REDD in DRC, and positive intentions in terms of the role of local communities and participation and consultation. However, there is a lack of connection between this analysis and the proposed actions.

Our main concerns about the current RPP (version 2, dated 2 March 2010) are: expansion of industrial logging and plantations; absence of participatory land use planning; the central position of the McKinsey 'cost-curve'; the proposed timeframe; building capacity for a robust, participatory monitoring system; pilot projects, and the need to take into account civil society demands.

### **Industrial logging and plantations**

We are greatly concerned by the fact that the strategic options for REDD contains potential actions such as 10 million hectares of new logging concessions, in addition to opening new plantations and cattle ranches (Annex 2b, REDD strategic options, pp 113-118). The RPP states that these are options to be explored - despite the fact that civil society strongly opposes them, especially in natural forests, and despite the fact that they are clearly not consistent with FCPF's objectives for REDD. The proposed options are not a 'solution' to reducing emissions.

As a REDD strategy it would be in direct breach of the FCPF Charter, which states:

#### **Article 2. Establishment and Objectives, Section 2.1 Objectives**

*Forest Carbon Partnership Facility is hereby established in accordance with the terms and conditions of this Charter. The objectives of the Facility are: (a) To assist Eligible REDD Countries in their efforts to achieve Emission Reductions from deforestation and/or forest degradation [...]; (c) Within the approach to REDD, to test ways to sustain or enhance livelihoods of local communities and to conserve biodiversity;...*

In August 2007 the report of the independent Inspection Panel's investigation of the World Bank initiated forest sector operations in the Democratic Republic of Congo was published, based on investigations of a complaint made by a group of Indigenous Peoples in DRC. The main findings of the report illustrate just how contradictory increased logging would be with the objectives of the FCPF<sup>1</sup>:

- The Panel is concerned that the benefits from the industrial harvesting of trees, which is at the core of the policy and administrative reform, are not going to the people living in and around the forest. The Panel found evidence that the promised benefits to the communities from the concessions, such as schools, clinics, and other facilities, have not materialized. This is not consistent with the objective of the Bank's policy of poverty reduction.
- The forests are an enormously important and valuable resource for the Congolese people. The Panel notes that there is a real danger that the highest quality forests will be depleted and valuable fauna exhausted with little benefit to local populations, or even to the general population in the country. People may lose access to forests and their products, on which they depend. This issue affects not only those living today, but the welfare of future generations. In this connection, the Panel notes the potential importance of developing a more balanced approach by emphasizing appropriate models of community forests as well as other actions to support community participation, land tenure and use rights in the forests.
- [...] But an almost overwhelming problem in the forest sector in DRC is the lack of institutional capacity to implement and enforce the laws and regulations, especially at the provincial and local levels. Until this is developed, the legal framework, although an essential step, cannot be relied upon to ensure sustainable development in the forest sector or to ensure that the people benefit from the forests.

We note and support the comment in the TAP review (p. 9) that states:

- *“Recommendation 6: It is also essential to explore the potential threat from biofuel production, in particular the likelihood of a dramatic expansion of oil palm plantations, something that has been highlighted in recent studies but not fully explored in the R-PP. The seeming contradictions between this policy of the Government and those of REDD+ do need to be explained.”*

We therefore believe that the following references in the DRC R-PP should be removed:

- The granting of new logging concessions in Programme 5 (p. 119),
- Identification of areas for the creation of new plantations and cattle ranches in Programme 11 (p. 122),
- The claim that limiting the impacts of industrial logging and mining is not a priority for REDD in Programme 13 (p. 123).

#### **The McKinsey 'cost-curve':**

There are serious problems with the McKinsey “cost/opportunity curve”, which is reproduced in the R-PP (p. 40)<sup>2</sup>. The estimated cost/opportunity of some elements of the curve is almost certainly highly underestimated, particularly for treatment of small-scale farming and mechanised establishment of plantations. The underlying reason why the apparent 'opportunity cost' for small-scale farming is so low, is that most or all of the produce of these activities is for subsistence purposes, and therefore does not enter into cash markets. Opportunity costs for replacing slash and burn agriculture are thus a poor guide to avoided deforestation costs; however much money might

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<sup>1</sup> [http://siteresources.worldbank.org/EXTFORINAFR/Resources/IP\\_2007\\_DRC\\_Forestry\\_2.pdf](http://siteresources.worldbank.org/EXTFORINAFR/Resources/IP_2007_DRC_Forestry_2.pdf)

<sup>2</sup> A report that was written in five weeks by international consultants, in a closed process that was parallel to the main civil society engagement in the DRC REDD process.

be offered as compensation, such farmers would still have to be given an alternative livelihood or encouraged to take up alternative non-destructive agricultural techniques. Decades of conservation and development practice have shown that programmes aimed at stopping slash-and-burn farming tend to be extremely expensive and very difficult to implement. The estimated cost of plantation establishment appears to be unrealistically low.

We note that the TAP Review says in relation to this that:

- *“Recommendation 5: The transaction and implementation costs of a REDD+ program should be included in the cost curve before making extensive use of the curve (as is done in the latter sections of this R-PP) in preparing the REDD Strategy.” (p. 10)*
- *“The list of the 14 proposed programs is difficult to understand as either alternative or complementary options for REDD implementation.” (p. 8)*
- *“While no details of the McKinsey study are provided, typically such studies estimate the techno-economic potential, which does not explicitly account for the transaction and implementation costs of a REDD+ program. These two components can significantly increase costs, reduce the emissions reduction potential, and add to the time it takes to implement a REDD program thus affecting a country’s REDD+ strategy. Because these costs can be very different for afforestation and REDD projects, their inclusion may affect the ranking of the 14 programs.” (p. 8)*

We therefore believe that the McKinsey cost curves provide what is probably a very unrealistic basis for estimating the costs and benefits of various interventions, and provides a distorted view of the relative attractiveness of these interventions<sup>3</sup>. We therefore believe that references to the McKinsey report, and any analysis based on it, should either be fully and independently explained and verified, or excised from the report.

### **Proposed timeframe**

We also have concerns with the suggested timeframe, which states that DRC will have finalized the necessary forest and legal reforms; streamlined all forest related initiatives; built capacity of all stakeholders, including central and decentralized government; and developed a comprehensive and feasible national plan by end 2012. We do not believe this is achievable given the current situation in DRC. The ongoing forest reform which started with the Forest Code from 2002 is still far from being finalized; most of the required regulatory texts are still absent, and many of those which have been drafted are disputed. There is a critical lack of capacity in forest sector governance, and recent technical reform processes (such as the logging title legality review) indicate that there is a long way to go in insulating these technical processes from heavy political intervention in the pursuit of vested interests.

We support the views expressed in the TAP Review, which states that:

- *“Annex 2b-2 provides a convincing – if broad brush – overview of the thinking about the range of analytical work, capacity building and implementation mechanisms to deal with the many facets of REDD from monitoring, to legal and policy reform to benefit sharing and intersectoral coordination and conflict resolution. Implementation will likely take some time on the order of 5 – 10 – 20 years for some aspects.” (p. 8)*
- *“Recommendation 1: The proposal notes that the Minister of Environment admitted recently that implementing REDD is impossible today because of problems with land affairs*

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<sup>3</sup> Similar views have been expressed by Dr Alain Karsenty, in “Le coût de la lutte contre la déforestation est terriblement sous évaluée”, at [http://rechauffement-climatique.novethic.fr/environnement-le-changement-climatique/changement\\_climatique/les\\_avis\\_des\\_experts/le\\_cout\\_lutte\\_contre\\_deforestation\\_est\\_terriblement\\_evaluee/122749.jsp](http://rechauffement-climatique.novethic.fr/environnement-le-changement-climatique/changement_climatique/les_avis_des_experts/le_cout_lutte_contre_deforestation_est_terriblement_evaluee/122749.jsp) (21st Dec 2009.)

*management, organizing and supporting the agriculture sector, and reducing corruption and improving cooperation between public and private sectors. The proposal should note how these barriers would be overcome through the REDD+ implementation and the kind of preparation that is needed for this purpose.” (p. 4)*

We therefore believe that the timescale envisaged for the eventual ‘REDD-readiness’ process should be adjusted, and probably aligned more with the kind of timescale as suggested in the TAP review.

### **Building adequate capacity for a robust, participatory monitoring system**

The Forest Code of 2002 is, by the government’s own admission, inadequate to deal with the governance issues posed by REDD and will need to be reformed. The implementation of these reforms, including the strengthening of law enforcement capabilities, will need to be subject to robust and participatory monitoring. However, there is currently a serious deficiency in capacity to carry out such monitoring activities across the whole of the country. The process of decentralization will present additional challenges and opportunities for designing an integrated, participatory monitoring system. Sufficient resources need to be allocated up front to ensure that an effective long-term monitoring system is established with input from all relevant stakeholders.

We support the finding of the TAP Review that:

- *“The participation of civil society and local communities as well as the role for NGOs and the private sector requires significantly more attention in relation to MRV.” (p. 16)*

### **Pilot projects**

The most recent version of the RPP, states that: “Un lot de huit projets pilotes a été retenu et sera lancé dans les prochains mois. Parallèlement, une réflexion est en cours de manière participative pour élaborer une initiative pilote à grande échelle (district).” (French version, p. 64). “Several projects (from 5 to 8) are being selected and studied in order to be launched in the coming months. Simultaneously, a participative analysis is underway to pilot initiative on a larger scale (district).” (English version, p. 60).

However, as RFN and RFUK made clear during the mission and in written comments, it is highly likely that the selection of existing projects renamed as REDD projects will not achieve the transformative change that is needed and we advise that a more comprehensive provincial-level approach, linking REDD to concrete development improvements at the local, district and provincial levels, be given priority.

The RPP should state that the decision on whether to have a series of smaller pilot projects, one more ambitious project or a combination of both will be taken in a participatory manner in the second half of 2010.

### **Taking into account civil society demands**

We fully agree with the need to implement policies to reduce deforestation and forest degradation without delay, but it is vital that REDD processes and activities in DRC are conducted in a way which allows for full participation and ownership by all relevant stakeholders, including on a national level. It is also important that the R-PP is realistic, although ambitious, in order to convince donors and not raise expectations too high.

We note that the TAP Review states that:

- *“Some reviewers feel that they were more designed to generate a one-way flow of information than to be genuine consultations. They would like to see evidence in the R-PP of a real commitment to engage with local communities and their aspirations.” (p. 5)*

It is the firm demand of Congolese civil society that the moratorium on the granting of new logging concessions is maintained, and that participatory mapping and land-use planning is a pre-condition of further REDD strategies. We support their demand. It is important to understand that a dropping of the moratorium on logging concessions would jeopardize the entire REDD process in DRC. This was the clear feedback from, in particular, Congolese civil society during the R-PP mission in February and during the finalization of the RPP.

An absolutely basic element for REDD in DRC has to be the establishment of a credible forest zoning plan. The starting point for such a plan should be a participatory process for identifying community use of customary forest lands, and not an approach where logging concessions and conservation areas are defined from above, allocating remaining lands to local communities and indigenous peoples. Developing a participatory, national forest zoning plan will be a necessary foundation for the country’s forest policy and for any decision about other uses of the forests. Clarifying to whom the forest belongs and how it is used has to be a necessary first step in the design and implementation of any REDD programme. Maintaining the moratorium (and possibly extending it to other industrial scale exploitation in intact natural forests) would thus be a logical central part of a national REDD strategy, and supporting its implementation would be money well spent: it creates the space to put a proper zoning in place while at the same time reducing emissions.

Yours sincerely,



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