

Congo Basin Pledge 2021 Report

November 2022

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Preface by The Rt Hon Lord Goldsmith, Minister of State for Overseas Territories, Commonwealth, Energy, Climate and Environment, United Kingdom

The 26th United Nations Climate Change Conference (COP26) rightly placed a major focus on nature and especially forests. The Glasgow Leaders' Declaration on Forests and Land Use was an unprecedented commitment to halt and reverse forest lost and land degradation by 2030 and represented just one part of a wider package of commitments.



Equally unprecedented was the Congo Basin Joint Donor Statement, where donor countries joined with philanthropy and demonstrated our commitment to this important region by collectively pledging \$1.5 billion to protect the region's forests and peatlands.

For too long the forests and peatlands of the Congo Basin have been overlooked, with support and funding favouring the Amazon and South East Asian forests. This is despite the fact the Congo Basin is one of the world's largest carbon sinks, supports the livelihoods of millions of people and is home to countless wonderful and endangered species.

I am pleased that within the first year, the donors have already disbursed a fifth of the amount committed via the Congo Basin Pledge. However, what matters is delivering that commitment on the ground and there is still more to do and, importantly, donors need to deepen their collaboration with regional partners.

I heard this request from our Central African partners at the Congo Basin Forest Partnership (CBFP) 19th Meeting of the Parties in Libreville earlier this year; and donors have responded and are looking to deepen this partnership. I am pleased that the UK will do its part to achieve this; the UK is the co-chair of the CBFP Donor College and, from March 2023, will chair the Central African Forest Initiative (CAFI).

Working closely with regional partners and the other donors, I look forward to building on the momentum already achieved over these first years of the Congo Basin Pledge.

Statement by Dr Christian Ruck, Facilitator of the Federal Republic of Germany to the Congo Basin Forest Partnership

The Congo Basin Joint Donor Statement represents the first pledge that exclusively focuses on the Congo Basin's tropical forests and peatlands. The Pledge is a major achievement from COP26 in Glasgow and signifies an important step in the collaboration between Congo Basin countries and donors. Achieving a robust mid- to long-term partnership with Congo Basin countries for the preservation of the ecological functions of their forests requires transparency and a demonstration of donors' commitment to the region. That is why it is important – one year after Glasgow – that donors can collectively demonstrate in this report what has been achieved by COP27 in Sharm el-Sheikh.



Such a partnership is at the core of the “*Declaration of commitment by COMIFAC¹ member states to the forests of Central Africa and call for equitable financing*”. Initiated and co-developed by the CBFP, it was signed by then-Minister of Economic Cooperation and Development of the Federal Republic of Germany, Dr. Gerd Müller, and acting president of the Central Africa Forests Commission (COMIFAC), Jules Doret Ndongo in September 2021 at the Tropical Forest Symposium in Berlin. At the centre of the Declaration is the so-called Fair Deal. This describes the declared commitment of Central African states to the conservation and sustainable development of their forests in return for the adequate share of international climate and biodiversity resources as incentivising for the forests' ecological services. COMIFAC member states' commitment is also underlined by their endorsement of the Glasgow Leaders' Declaration on Forests and Land Use.

There are three priority areas I will seek to address in my current role:

- Firstly, continue the cooperation initiated between Germany, the Congo Basin countries, and China with the goal of mitigating and improving unsustainable practices in the international tropical timber trade.
- Secondly, organise a conference on transhumance to follow up on the N'Djamena Conference of 2019. The conference will galvanize political will to improve cross-border transhumance management and present an investment programme to potential donors for the management of transhumance activity and its ecological and security-political implications.
- Thirdly, obtain clarity on how to make available more public and private capital to Central African countries and directing them towards the same goals. The current lack of investment incentives and bankable projects poses a barrier to finance flows into the Congo Basin.

I will work with the incoming French facilitators to advance these priorities during the remaining period of the German Facilitation of the CBFP. I thank my French colleagues for

¹ COMIFAC: Central Africa Forests Commission

taking on this important role; with increased focus on the Congo Basin region, the coordination and joint programming of programmes and initiatives by donors and other stakeholders, such as development banks, becomes even more important. This includes finding efficient divisions of activities and responsibilities among the multitude of funds and financing pathways.

To find answers and common ground on these questions, COMIFAC President Jules Doret Ndongo called for a common 'Taskforce' and this was endorsed by the plenary at the 19th Meeting of Parties of the CBFP, held in July 2022 in Libreville, Gabon. This can lay the groundwork for successful long-term financial and technical cooperation with African partners to ensure the safeguarding of the region's forests and peatlands.

Introduction

The Congo Basin is home to the world's second-largest tropical rainforest and one of the world's largest carbon sinks. Yet despite being a critical global natural ecosystem for climate change and sustainable development, the region has been historically underfunded compared to other forest regions, such as the Amazon. In recognition of this in the lead up to COP26 in Glasgow, Central African countries made clear their ask for greater support and twelve global donors committed to a landmark collective pledge of at least \$1.5 billion of financing between 2021 and 2025. The Pledge donors include Belgium, European Commission on behalf of the European Union, France, Germany, Japan, Republic of Korea, Netherlands, Norway, Sweden, United Kingdom, United States of America and the Bezos Earth Fund. President Félix Tshisekedi of the Democratic Republic of the Congo (DRC) and former Prime Minister Boris Johnson of the United Kingdom, on behalf of the Central African Forest Initiative (CAFI), also signed the DRC-CAFI Letter of Intent 2021-2031 at COP26 to unlock \$500 million of multi-donor investment; this is a third of the total pledged to the Congo Basin.

Why the Congo Basin?

Tropical forests are indispensable for achieving the 1.5°C climate target and the Congo Basin has a key role to play. Absorbing around 1.5 billion tons of carbon dioxide from the atmosphere, or 4% of the world's emissions every year, Central Africa is one of the only regions left in the world that absorbs more carbon than it emits. Preserving the Congo Basin presents an economical solution with an enormous mitigation potential for the climate.

The Congo Basin forests and peatlands play a significant role on the African continent. They regulate the continent's weather patterns – the forests supply half of all rainfall across Africa – and 80 million people rely directly on these forests for food, freshwater, and clean air. The region is also home to great biodiversity, with an estimated 10,000 tropical plants including 30% unique to the region. Some of the Congo Basin's most recognisable wildlife, such as forest elephants, okapi, chimpanzees and lowland and mountain gorillas, are endangered.

And while degradation of the region's forests and peatlands has not advanced as it has in the tropical forest regions of Amazonia and South-East Asia, socio-economic and development pressures are increasing in the Congo Basin.

Increased degradation rates would destabilise continental weather systems threatening the food and water security of millions, while undermining the livelihoods of the millions of people who live in and around the Congo Basin region.

This makes *now* the right time to mark the protection of its forests a top priority on an international level and realise a sustainable forest use economy, which furthers the development of the region without compromising the integrity of its forests.

The Pledge is supporting ambitious efforts and results to protect and maintain the Congo Basin forests and peatlands. It is helping drive flagship endeavours such as CAFI, alongside funding broader climate mitigation and adaptation efforts, addressing the drivers of forest

loss, and enabling the protection and restoration of the Congo Basin. It is also providing funding for forest-positive investment and alternative livelihoods programmes, including investment that supports economic development and wellbeing of communities at the edges of forests and other fragile ecosystems.

This is the first Annual Progress Report on the Congo Basin Pledge. It provides an update on donor spend over the period from January to December 2021, the ‘start-up’ year of the five-year Pledge.

Methodology

To gain an understanding of contributions towards the Pledge, each participating donor provided their expenditures for the calendar year 2021 to the United Kingdom, which is currently the co-chair of the CBFP Donor College. Countries submitted data, where available, on programmes, total funding amount (in original currencies), geography, thematic area, type of finance, finance form (bilateral or multilateral), and whether private finance was leveraged. The 2021 Organisation for Economic Co-operation and Development (OECD) exchange rate has been used. The expenditure contribution methodology used is aligned with OECD and United Nations Framework Convention on Climate Change (UNFCCC) financial reporting definitions.

At COP26, two other forest pledges were made in addition to the Congo Basin Pledge. The Global Forest Finance Pledge (GFFP) announced donors’ intention to collectively provide \$12 billion in climate finance to forest-related programmes between 2021 and 2025. In parallel, 22 funders, including governments and private philanthropic organisations, announced a \$1.7 billion pledge in support of advancing Indigenous Peoples’ and Local Communities’ (IPLC) forest tenure rights in tropical forest countries, a recognition of the important role IPLCs play in protecting forests and nature.

All pledges are distinct but related, with a shared focus on conserving forests and recognising the importance of IPLCs as forest guardians. Where a donor has committed funds to the GFFP and either the IPLC or the Congo Basin Pledge, donor funding is counted under both pledges. A similar overlap also occurs between the IPLC Pledge and Congo Basin Pledge when a donor has committed funds to both.

Pledge Spend Progress – delivering the \$1.5 billion

Over the course of 2021, the first year of the pledge, the 12 donors have collectively provided **\$508,453,359** for the Congo Basin Pledge (approximately a third of the total pledge), with **\$310,960,011** disbursed in the region so far (approximately a fifth of the total pledge). As for UNFCCC and OECD reporting, donors are reporting on climate finance in the form of commitments and disbursements of financial support. For this report, 10 donors reported funds entirely as 2021 disbursements in their reporting, 1 donor reporting funds entirely as 2021 commitments and 1 donor reporting funds as a combination of 2021 commitments and disbursements.

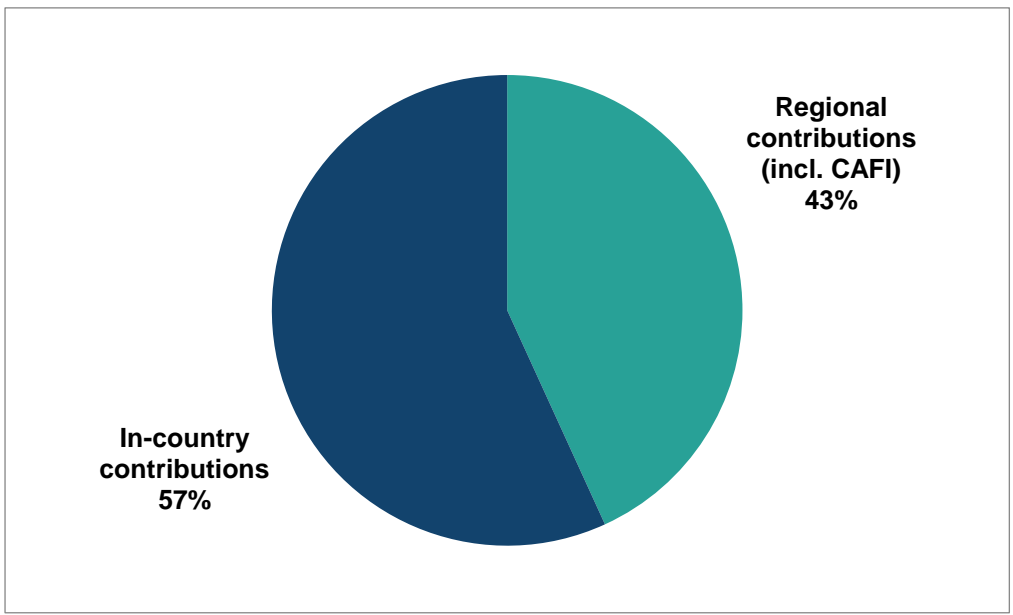
2021 Spend against Congo Basin Pledge	
Total spend (<i>percentage of \$1.5 billion Pledge total</i>)	\$508,453,359 (34%)

Total disbursed (percentage of \$1.5 billion Pledge total)	\$310,960,011 (21%)
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Donors have disbursed or committed approximately \$219,546,918 to regional bodies, such as CBFP and COMIFAC, or to support trans-border programmes (see Figure 1 and *Case Study 4: Supporting climate, environment and development goals in the transboundary Yamoussa National Park*). Many donors have worked through the Central Africa Forest Initiative (CAFI), which is a key partner for donors to deliver projects in the region (see *Case Study 1: CAFI support to Gabon for reduced emissions from deforestation and forest degradation* and *Case Study 2: Protecting forests and providing sustainable alternatives to fuel wood in the Democratic Republic of the Congo*).

Donors have also delivered bilateral programmes in individual Congo Basin countries through other implementing partners, such as NGOs/civil society organisations (see *Case Study 3: Supporting biodiversity and livelihoods in Republic of the Congo*) or development banks (see *Case Study 4: Supporting climate, environment and development goals in the transboundary Yamoussa National Park*). Donors’ bilateral spend has been directed to individual countries in the region, including the DRC, Cameroon, Republic of the Congo, Burundi and Gabon.

Figure 1: Distribution of donor contributions (2021)



The 2021 spend has contributed to thematic issues such as supporting forest positive supply chains, forest landscape restoration and addressing forest crime. Given regional governments’ economic and development priorities, the funding has also focused on forest-positive investment and alternative livelihoods programmes, including investment that supports economic development and wellbeing of communities at the edges of forests and other fragile ecosystems. The donors’ commitments often do not just focus on a single thematic area; instead, they have had multiple objectives such as addressing biodiversity and livelihoods for local communities (see *Case Study 3: Supporting biodiversity and livelihoods in Republic of the Congo* and *Case Study 4: Supporting the Yamoussa National Park, Cameroon*).

Central African Forest Initiative (CAFI)

The Central African Forest Initiative (CAFI) is the main dedicated funding vehicle created by Central African countries and donors in 2015 to pool resources to address forest loss and fight against poverty in six countries in the Congo Basin region (Cameroon, Central African Republic, Democratic Republic of the Congo, Equatorial Guinea, Republic of the Congo and Republic of Gabon).

CAFI is the largest UN climate fund, having secured more than \$800 million from nine donors, with Norway and Germany the biggest donors to date. The DRC has been the largest recipient of support from Norway's International Climate and Forest Initiative over the last five years.

To date, CAFI has signed Letters of Intent (LOIs) with three countries (DR Congo, Rep. Congo and Gabon), and has ongoing dialogue with the three other countries, with the objective to set up similar partnerships. The LOIs are aligned with national policy objectives, as set out in the partner countries' Nationally Determined Contributions, as submitted to the UNFCCC, and their national development strategies. These are in line with national partners' emphasis on lifting their populations out of poverty to better achieve forest preservation objectives. Poverty reduction is one of the main impacts sought by CAFI. Key priorities include access to sustainable energy, improved livelihoods, and tangible incentives for sustainable land use practices.

In the three countries that have signed LOIs with CAFI, government representatives chair national governance and coordination bodies, which lead the partnership with CAFI. CAFI supports partners in their efforts to mobilise resources at scale, especially from the private sector, and to support a sustainable development pathway.

CAFI has funded more than 30 programmes at the national and regional level in Central Africa, supporting policy reforms at the national level and investments on the ground. Examples include:

- In the DRC, CAFI has supported policy reforms, such as draft laws on land tenure and land use planning. On the ground, 5 million hectares of rural land has been covered by local management plans developed by communities with CAFI's support; and 7,200 hectares of agroforestry has been established by local farmers.
- In Gabon, CAFI has supported the implementation of an ambitious land use programme to preserve high value forests. Four areas have been delineated to enlarge national parks in transborder locations.
- At the regional level, CAFI has supported the publication of new maps and data on the drivers of deforestation and forest degradation in Central Africa.

Over the next year and a half, CAFI aims to:

- Develop a series of new programmes in the DRC for the implementation of the 2021 LOI to ensure progress towards the ambitious milestones, such as the definition of High Value Forests and the adoption of sectoral policies securing land rights and access;
- Meet the first milestones in the LOI signed with Republic of the Congo through new and existing programmes, while encouraging further national appropriation of the partnership and commitments;
- Facilitate implementation of the first five programmes funded by results-based payments in Gabon and;
- Advance feasibility studies and/or policy dialogue in Equatorial Guinea, the Central African Republic and Cameroon.

Case Studies

The case studies below provide examples from Pledge donors of the programmes and projects they are supporting.

Case Study 1: CAFI support to Gabon to reduce emissions from deforestation and forest degradation

Gabon has preserved much of its pristine rainforest since the early 2000s in creating 13 national parks, one of which is a listed UNESCO World Heritage Site. Its forests absorb a total of 140 million tons of carbon dioxide every year, the equivalent of removing 30 million cars from the road globally. Gabon has also made significant advances in sustainable management of its timber resources outside the parks, with an ambition to ensure that all forest concessions are FSC-certified.

In June 2021 Gabon became the first country in Africa to receive results-based payments for reduced emissions from deforestation and forest degradation. This first payment (\$17 million) was part of the breakthrough agreement between Gabon and CAFI in 2019 for a total of \$150 million over ten years. It recognises Gabon's reductions in 2016 and 2017, compared to annual emission levels from 2006 to 2015. Gabon and CAFI have agreed that this first payment will go towards activities that further decrease carbon dioxide emissions through investments into areas such as community forestry, scientific research and forest management practices. The investments will contribute to further enhance the income, livelihoods, and wellbeing of communities in Gabon.

Case Study 2: Protecting forests and providing sustainable alternatives to fuel wood in the Democratic Republic of the Congo

CAFI has supported the protection of forests in the DRC through projects that have also provided sustainable alternatives to fuel wood for local communities. The DRC has seen forest degradation in areas supplying large urban centres with fuel wood. This has been due to increased population, the absence of alternative sources of energy in urban centres, the low surface area dedicated to plantations for wood-energy and the wide use of poor-quality cook stoves in urban areas.

A study funded by CAFI and undertaken by the CIRAD (French Agricultural Research Centre for International Development) via the UN Development Programme (UNDP) showed that in the Kinshasa megacity, 97.7% of inhabitants use charcoal regularly for cooking, with only 12% using an improved cook stove.

In total, CAFI-funded programmes in the DRC have so far resulted in the planting of 4,500 hectares of fast-growing trees for wood energy, and 16,500 hectares set aside for natural regeneration. Access to funding for clean cooking entrepreneurs has expanded, notably through the Challenge Fund established by the Wood Energy programme, with \$1.2 million awarded to 12 Congolese entrepreneurs to produce and market 99,000 improved cooking solutions. Thanks to this as well as the integrated programme in the PIREDD Equateur, more than 63,000 improved cook stoves, 8,000 gas stoves and kits, 1,700 tons of gas and 998 tons of cooking briquettes have been made available to the population.

In addition to directly providing cleaner cooking solutions, the Challenge Fund has enabled the creation of more than 1000 jobs, with a female employment rate of approximately 53%. Moreover, household energy spending on fuelwood has dropped by 13% to 19% in targeted areas.

Total provided funding: as of mid-2022 CAFI has transferred \$10,638,007 to UNDP and UNCDF to spend on this programme, with \$2,594,248 spent in 2021.

Case Study 3: Supporting biodiversity and livelihoods in Republic of the Congo

The Agence Française de Développement (AFD) has supported the establishment in the Republic of the Congo of a consolidated legal framework to govern the management of forest resources, promote their certification and support conservation efforts in its network of protected areas. In 2021 it started working with the Ministry of Forest Economy, the Wildlife Conservation Society (WCS), the French Agricultural Research Centre for International Development (CIRAD) and local communities as part of its Northern Congo Forest Landscapes Project (PPFNC).

The PPFNC is being implemented in the Sangha and Likouala departments and the northern part of the Cuvette-Ouest department. This covers a massive area of some 9.5 million hectares, where local communities live alongside logging sites, protected areas and agricultural and mining concessions.

This multitude of uses, combined with high population growth and the lack of a clearly defined territorial development framework, increases the threat to biodiversity. There has been a marked increase in large-scale poaching, driven by the high price of ivory. The PPFNC aims to achieve a more equitable sharing of forest revenues through building several community development activities that benefit local communities in forest concessions.

Total provided funding: €7.5 million jointly between AFD (€6 million) and Fonds Français pour l'Environnement Mondial (FFEM; €1.5 million).

Case Study 4: Supporting climate, environment and development goals in the transboundary Yamoussa National Park

Germany has supported, through their implementing partner KfW Development Bank and in collaboration with COMIFAC and the Ministry of Forestry and Wildlife (MINFOF) of Cameroon, a programme that combines climate, environmental and development goals in the Yamoussa National Park. The Yamoussa National Park is a transboundary species-rich area that includes the Bouba Ndjida National Park in Cameroon and the Sena Oura National Park in Chad.

The project has sought to improve monitoring and protection of the national park, such as through the construction of surveillance infrastructure, but the programme has also



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Supporting income opportunities
for local communities around
Yamoussa National Park

sought to support local communities by giving them an important role in the conservation and management of forests, so the local communities can benefit from the park for their livelihoods.

The construction and rehabilitation of 1,428 km of tracks and 12 river crossings, as well as the construction of surveillance posts, has involved the recruitment of more than 150 staff from the local population. The project has recruited trackers and monitoring and patrolling support from the local community.

Total provided funding: €13 million over both Phases I (2015-2022) and II (2021-2023).

Challenges and the Year Ahead

While participating donors are responsible for delivering their own package of support, close coordination among the Congo Basin Pledge donors will also be important given this is a collective commitment. This year the Congo Basin Pledge donors have agreed to make the CBFP Donor College the institutional home of the Pledge. This will ensure the sustainability of the Congo Basin Pledge coordination and allow donors to coordinate through regular meetings of the CPBF Donor College, as well as other CBFP meetings such as the annual Meeting of the Parties.

Next year France will take over Facilitation of the CBFP, with the UK continuing with the USA as co-chair of the CBFP Donor College. The UK will also take over the Chair of CAFI. Through these bodies and the Taskforce endorsed at July's Meeting of Parties of the CBFP, donors will seek to improve coordination to, for example, identify gaps where action can be taken and to ensure the longevity and therefore effectiveness of our programmes.

Even more important for the success of the Pledge is working in partnership with Central African countries and regional organisations. Countries set out their priorities in the 2021 COMIFAC (Central Africa Forests Commission) Declaration. Meanwhile specific objectives for the DRC were included in the DRC-CAFI Letter of Intent 2021-2031. Donors have heard the voices from the region. As already noted in Dr Ruck's Statement, the 19th Meeting of Parties of the CBFP also endorsed a Taskforce to consider the longer-term coordination and commitment of the Pledge donors to the region. Through the Taskforce, CBFP, and CAFI, donors will ensure that we remain aligned to supporting regional priorities for the preservation of the Congo Basin forests and peatlands.

Conclusion

The Congo Basin Pledge was a significant outcome from COP26, which will contribute to the unprecedented support shown in Glasgow to halt and reverse forest loss more broadly. Donors have already collectively provided a third of the \$1.5 billion pledged at COP26 over the course of 2021, the first of the Pledge's five-year time span. This is a good start and means donors are on track to meet the Pledge commitment. Donors and Central African governments and bodies, such as COMIFAC, have an interest to strengthen collaboration to ensure that the Pledge effectively delivers the region's priorities.