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# **Policy Brief**

# New perspectives for REDD+ in the Congo Basin

#### **Key Messages**

Most Congo Basin countries remain formally engaged in REDD+, but have not fully completed the readiness phase (phase 1). Hence, they struggle to receive investments (phase 2) and to access results-based payments (phase 3). In the wake of the looming threat to Congo Basin forests, there is renewed interest from countries and donors to revive REDD+ efforts in the region.

Results-based payments alone are not the "silver bullet" solution to counter all forest loss in the Congo Basin. Rather, approaches to remunerate the ecosystem services provided to the world by the region's forests need to be context-specific, straightforward and innovative. Protecting Congo Basin forests requires tailor-made, realistic and ambitious approaches with incentives to pursue REDD+ at multiple stages.

Authors

Johannes Pirker, PhD
UNIQUE forestry and land use GmbH
Sophia Carodenuto, PhD
University of Victoria,
Department of Geography

The Congo Basin is the second largest contiguous tropical forest area in the world. It is among the last large remaining carbon pools – and is currently still a stable carbon sink contributing to climate change mitigation. However, the forests of the Congo Basin are under growing anthropogenic pressure: various drivers and underlying causes increase the risks of losing this natural capital, despite many efforts to preserve these vital ecosystems. To address the trend of increasing conversion and degradation of forests, many Congo Basin countries have engaged in REDD+ efforts under the UNFCCC and are committing to more effective forest protection measures.

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REDD+ is a measure to mitigate climate change. It is a phased approach encompassing a preparation and an investment phase, leading up to receiving payments from the international community for reduced emissions. Congo Basin countries face particular challenges in completing this process because of their socio-economic contexts. This has slowed down or inhibited REDD+ implementation.

The study at hand focuses on the status quo of REDD+ implementation in the Congo Basin and highlights potential future courses of action. This policy brief summarizes the main findings of the study, which analyzed the situation in three Congo Basin countries: the Democratic Republic of Congo (DRC), Gabon, and Cameroon. It draws on available literature and 21 semi-structured anonymous interviews with key REDD+ experts conducted between November 2020 and February 2021. Interview partners comprise representatives of Congo Basin countries, donors, academia, NGOs and independent technical experts.

This policy brief has been prepared for decision-makers and all interested stakeholders. It lays out potential ways forward for REDD+ in the region. It may serve to guide debates and funding decisions by providing information on how the safeguarding and remuneration of the ecosystem services provided by the Congo Basin forests can be advanced in a targeted and context-specific manner – through and beyond REDD+ in the Congo Basin.





## Status quo and major trends

The REDD+ process involves three stages: "readiness", "implementation" and "results-based payments" (RBPs). The progress of REDD+ varies from country to country. For Central African countries there is wide consensus among stakeholders that REDD+ has not yet yielded the intended results. In large parts of the Congo Basin, deforestation has risen significantly in recent years, (e.g., in the Democratic Republic of the Congo and Cameroon). Simultaneously, REDD+ development has partly stalled in some countries and the readiness phase has never been fully completed.

## DRC has made far-reaching formal achievements in the REDD+ process.

DRC was the first country to successfully implement a jurisdictional REDD+ program under the Carbon Fund of the Forest Carbon Partnership Facility (FCPF); namely in the Mai Ndombé province. Upscaling the approach beyond the pilot region remains a challenge.

Gabon shows very strong commitment at the highest political level to keeping forest loss low and has developed adequate skills in measuring, reporting and  $\textbf{verifying}\,(\textbf{MRV})\,\textbf{emissions.}\,\,\textbf{Gabon only}$ recently joined the REDD+ program by concluding a bilateral agreement with Norway for RBPs with intermediary milestones.

After a strong start, the lack of progress with REDD+ in Cameroon is worrying, given the relatively favorable starting con-

ditions of this country. Although Cameroon was selected for the pipeline of the FCPF Carbon Fund, it never developed a REDD+ program, and the process has been stalled for several years. Notably, inter-sectoral coordination and clear designation of responsibilities remain insufficient.

For the region as a whole, the following issues for REDD+ can be stated:

#### Severe governance challenges persist.

Political will to implement REDD+ is variable, and simply increasing REDD+ funds has limited effect in creating political commitment. Furthermore, REDD+ planning tends to remain within a narrow sectoral niche. This results in incoherence between REDD+ planning and sectoral land-based policies (e.g., agriculture, forestry, large-scale and artisanal mining), which is detrimental to the implementation of REDD+.

Capacity for forest monitoring has advanced significantly in most countries. However, challenges remain with regard to MRV systems to track nuanced processes such as degradation or enhancements of forest carbon stocks.

There is significant scope within existing funding schemes to adapt reference levels to dynamic national circumstances and to contexts such as those prevailing in the Congo Basin. In parallel, novel paradigms have emerged about the important role of standing forests, potentially enabling High Forest Low Deforestation countries to claim payments for carbon sequestered in standing forests.1

There are different potential financing instruments for funding forest protection in the Congo Basin. Notably, established REDD+ funding vehicles such as the Green Climate Fund, the FCPF Carbon Fund at the World Bank, the Central African Forest Initiative (CAFI) and bilateral donor setups acknowledge the need for more sustained funding targeting standing forests and their carbon sequestration function. Financing options beyond REDD+ RBPs need to be considered.

#### The private sector is part of the problem

- and part of its solution. Logging companies operating in the national forest estate are required to defend these immense forest areas against outside encroachment. With the sector facing increasing economic pressure, the future of the national forest estate as a barrier against deforestation is at risk. Forest management practices vary, with logging certification being a good proxy for sustainable management. Agricultural commodities traded on international markets are expanding in some parts of the Congo Basin. In Cameroon, the cocoa sector seems crucial, and its role might increase in the future across the region. There is substantial risk that the cocoa sector in Central Africa might emulate the West-African example, which proved devastating for forests there.

### Policy Options and Recommendations

To generate renewed political will for REDD+ implementation, win-win situations for both forests and land-based sectors need to be identified. This calls for sustainable agricultural intensification, which reduces pressure on natural forests; a strengthening of land tenure and pro-active policies for land-use planning; as well as infrastructure and family planning to ease demographic pressure on forests. Cross-sectoral alignment might be reached by anchoring the REDD+ agenda at a high political level. Where clear political will is present, bilateral country partnerships can be pursued.

Progress made with respect to forest monitoring and MRV should be solidified at national scale while simultaneously promoting a cross-country regional MRV initiative. National staff trained in MRV matters should be integrated in permanent organizations, including academic institutions. Cost-efficient bundling of efforts from across the Congo Basin into regional initiatives (such as the Central African Forest Observatory, OFAC) should be envisaged.

Historical reference levels with standardized reference periods are generally preferable as they are considered by donors to be more robust and increase the

chances of obtaining funding for RBPs. Sufficient margin exists for adjusting reference levels upwards to national circumstances. Environmental integrity and methodological soundness should remain key criteria for construction of reference levels.

There is increasing scope for highlighting the Plus in REDD+, i.e., financially remunerating actual or foregone sequestration, sustainable forest management, or conservation of carbon stocks, particularly for "stable forests". Different approaches are under consideration by funding mechanisms such as CAFI and the World Bank. There is a window of opportunity to engage in consultation processes to ensure that standing forests in the Congo Basin receive due attention. Better MRV systems and data are needed to reliably demonstrate the benefits of stable forests and their impact on degradation and carbon sequestration

The ongoing revision of the rules for international funding sources (CAFI, FCPF Carbon Fund, Green Climate Fund) opens a window of opportunity to lobby for enhanced provisions for High Forest Low Deforestation countries in the Congo Basin. On the international scale, the first bilateral agreements for country-tocountry transfers of foreign emissions reductions under Article 6 of the Paris agreement are being implemented. Additionally, financing mechanisms like debt-for-nature swaps, the voluntary carbon market or environmental offsets might provide funding opportunities for REDD+.

The private sector holds promising options to contribute to reducing deforestation and forest degradation. In the industrial logging sector, the Concession 2.0 model, which integrates multiple land uses within one concession, has potential to increase the economic viability and social acceptance of forest concessions. Logging certification is often equivalent to sustainable forest management. Costs for logging certification can be lowered through support projects. Particularly in Cameroon, domestic fiscal systems hold potential to incentivize certification and sustainable forest management. Regarding the cocoa sector, increased private sector involvement within the Roadmap to Zero Deforestation Cocoa in Cameroon could steer this initiative towards a more producer-friendly setup. The HCV/HCS approach is promising for earmarking priority areas with high carbon stocks and rich biodiversity and cultural values.

### Conclusion and outlook

While Congo Basin countries have made significant progress with regard to enabling REDD+, severe challenges remain regarding the institutional capacity to actually reduce emissions from forests. Consequentially, RBPs have not yet been consistently realized.

Political will is the very basis for REDD+ to succeed. All other aspects considered in this study – cross-sectoral coherence, adequate monitoring capacities and reference levels, financing tools and the in-volvement of the private sector – are enabling conditions for REDD+. These key ingredients are best combined in local or regional-scale pilot programs.

This study represents an opportunity to take stock of the disparate state of REDD+ progress across the region and offer support tailored to the needs of in-

dividual countries. In the interest of payment efficiency, the role of donor coalitions should be emphasized and further means of coordinating donor activities should be explored. Countries and jurisdictions demonstrating clear political will and capability should be prioritized. Where these factors are currently weak, donors can still support REDD+ enabling conditions such as land use planning and sustainable agricultural intensification.

The 'business-as-usual' outlook for the Congo Basin forests is dire. However, emerging political commitment to forests in some countries, and renewed interest by the international community in preserving standing forests in the region give rise to new hope for the Congo Basin forest.

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