Best Practice REDD+ Private Sector Project Implementation Framework for the DRC

WILDLIFE WORKS

The Nature Conservancy

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This work was made possible by The Nature Conservancy

Acknowledgements

Wildlife Works would like to thank The Nature Conservancy (TNC) for supporting the development of this guidance for best project-based REDD+ practices in the Democratic Republic of the Congo (DRC) . It is through the development of these best practices that we envision a better understanding of quality for which REDD+ projects can aspire to in the DRC and beyond.

We would like to applaud the following core group participants, who contributed significantly with dedicated participation, and whose earnest collaboration helped achieve consensus on the elements discussed herein:

Frédéric Jacquemont and Bart Simmons from Fanfare Verte; Simon Bolis and Christian Danneker from South Pole Carbon; Zach Barbane from EP Carbon; Tara Stoinski and Yntze Van der Hoek from the Dian Fossey Gorilla Fund; Brandon and Daniel Blattner from Congo Emissions Management Co. (CEMCO); Sally Coxe, Patrick Mehlman and John Waugh from the Bonobo Conservation Initiative (BCI); Guy Kajemba from Groupe de Travail Climat REDD Renové (GTCR-R) and Jennifer Holland from Zamba Consulting.

This group of DRC project practitioners engaged in a collaborative and inclusive process, ultimately achieving consensus on guidance elements that address the varied portfolio of current and aspiring REDD+ projects in the DRC. The product is a set of clear, actionable guidelines to help REDD+ projects operating in the DRC achieve registration and issuance of the highest-quality REDD+ credits, while also considering the Paris Agreement and participant countries' movement toward nesting.

We hope the guidance will provide simplicity, efficiency, and a clear path to market for project developers, and through its use, will help catalyze the valuable contribution of REDD+ projects to national and international climate change mitigation efforts.

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Preamble

The Democratic Republic of the Congo (**DRC**) is a country that holds one of the highest potential to achieve significant conservation outcomes through partnership with forest communities by battling climate change, protecting critical ecosystems and their biodiversity, improving local livelihoods and building forest economies. When implemented to high standards, project-level REDD+ approaches present a promising way to deliver these triple wins for the government of the DRC by enabling access to the growing voluntary carbon market. These best practices for private sector practitioners of REDD+ embody a set of consensus guidelines, ethics, and recommendations on the most efficient or prudent course of action for project implementation. They include clear guidance for effective engagement with communities, respect for Free, Prior, and Informed Consent (**FPIC**), design and modelling guidance for the government to perform risk mapping and Forest Reference Emission Level (**FREL**) allocation for project reference level calculation, and GHG emissions monitoring, reporting and verification (**MRV**)—all directed towards supporting projects that reduce emissions from deforestation and forest degradation (**REDD+**) in practice in the DRC.

The guidelines are purposely presented as standard and framework agnostic. They are designed to not violate the principles and criteria of the leading international standards, while also allowing for adaptation to the fluidity of the burgeoning voluntary carbon market and the evolving standards that serve them.

A collaborative group of stakeholders including private sector, Non-governmental Organization (**NGO**), civil society, and prospective project practitioners assembled to develop these best practices with the goal of generating high quality REDD+ credits from the DRC. Indigenous Peoples and Local Communities (**IPLCs**) were represented throughout the process by Le Réseau des Populations Autochtones et Locales pour la Gestion Durable des Ecosystèmes Forestiers de la RDC (REPALEF RDC), a national-scale IPLC association, that participated as a core group member. Additionally, Le Groupe de Travail Climat REDD+ Rénové (GTCRR), a national civil society network dedicated to the consequences of REDD+ implementation on IPLC rights, participated and was key to achieving consensus. The process included firstly a series of kick-off calls in 2020, to identify and gather relevant stakeholders and gauge participant willingness. DRC REDD+ project practitioners were invited as core participants, while a group of observers will be invited to oversee and guide an association and advocacy program.

This program was implemented in three phases: In Phase I, participants presented their respective technical and social approaches, and prepared presentations that were reviewed by the group in preparation for the next phase. Phase II involved a 2-week virtual conference, with the aim of reaching consensus on common best practice approaches that the group was willing to commit to for future REDD+ projects in the DRC. Following presentations on proposed best practices and collaboration sessions, a series of thematic sub-committees consisting of subject matter experts from the group were convened. They collaborated via teleconferences and small group meetings that presented their findings to the larger core group. The culmination of Phase II was the attainment of group consensus on the principles for the proposed program elements. Phase III produced this framework document and concluded with preparation for the creation of a voluntary association of REDD+ developers in the DRC, committed to widening the adoption of these best practices. All Phases were conducted in alignment with DRC National REDD+ Strategy developments, to ensure integration into, and support for, the DRC Governments' national REDD+ agenda.

In summary, this framework document synthesizes the output of the above-described process in a single text that aims to create clear best practice standards, benchmarks, and expectations against which future REDD+ projects in the DRC can be judged, thereby promoting clarity, fairness and a level playing field. They also enable accountability, project comparison and aggregation of metrics that support the DRC Government's REDD+ mission.

The report consolidates the best practices identified by the group as most crucial to REDD+ Project implementation into five primary categories:

1. Risk Mapping, FREL Allocation and MRV

This section describes the process for estimating REDD+ project reference levels in the DRC using a risk based FREL allocation approach. A complete workflow for both elements is presented, along with example parameters, with a goal of process transparency and repeatability. The risk map and FREL allocation model presented herein is suggested as a policy instrument for the DRC national government to concentrate REDD+ finance in areas of high deforestation risk.

2. Free, Prior and Informed Consent

Guidance for conducting the Free, Prior and Informed Consent process with communities living in and around DRC REDD+ Projects is presented in detail in this section. We focus on the critical nature of FPIC as both a pre-requisite and ongoing requirement for REDD+ project success, as well as the vital importance of our community partners. The guidance builds on the legal DRC FPIC structure, indicating best practices agreed upon by the group for the most fair, equitable and by extension, effective FPIC implementation.

3. Grievance and Recourse

In this section, we present best practices for establishing grievance redress mechanisms that best support project employees and communities within the project's sphere of influence. While the ongoing FPIC process is intended to preempt conflict, an effective grievance redress system is essential to REDD+ project success. We build upon the DRC's legal grievance redress provisos to establish best practices for DRC project practitioners to use as part of the project design process.

4. Benefit Sharing / Community Partnership

The term "benefit sharing" is historically rooted in the donor-led conservation model and thus far has been thought of in terms of a donor / beneficiary relationship. On the other hand, REDD+ projects follow a market-based model and rely on effective partnerships with local communities. Best practices in enabling and sustaining this partnership are described in this section, including suggestions for both profit and revenue share. Techniques presented in this section build on DRC legal requirements and further draw upon the group's experience in efficient and effective REDD+ project financial partnership plan design.

5. Community Project Implementation and Biodiversity Monitoring

In this section, we address project activity design and implementation, as well as community and biodiversity monitoring best practices. Starting with CCB principles, we describe a theory of change process that should be implemented as part of the Social and Biodiversity Impact Assessment (SBIA), the

goal of which is to enable communities to effectively identify and implement project activities themselves. We also suggest broader integration into the DRC's national MRV efforts.

6. DRC REDD+ Project registration guidance

This section outlines the official steps for registering a REDD+ Project in the DRC. We present paths to registration for three major land tenure categories of REDD+ Projects: conservation concessions, community forest concessions and protected areas.

Throughout this guidance document, a similar model to represent the best practices is followed. In each section on best practices there are *First Principles, Second Principles, and Third Principles.*

First Principles - present emerging best practice as recommended from international good practice and lessons learned from the DRC and elsewhere.

Second Principles – are tenets that this collaborative group recommends for adoption in the DRC.

Third Principles – represent the practical steps that this group recommends for nested REDD+ project design and implementation in the DRC.

Overview of REDD+ in the DRC: its challenges and opportunities.

The Democratic Republic of the Congo is home to the second largest tropical forest in the world, with approximately 152 million hectares of forested land. In addition, the Central Congo Basin Peatlands form the largest tropical peatland area in the world.[1] It is estimated that almost half a million hectares of forests are lost each year in the DRC, amounting to an average annual deforestation rate of 0.2% from 2000 until 2015.[2] Threats to forests are mostly due to slash-and-burn agriculture, fuelwood production, bush fires, and small-scale and industrial logging. Addressing these threats through approaches that avoid deforestation and degradation of DRC's carbon rich forests is the greatest opportunity for climate change mitigation and forest community self-empowerment.

Aware of the enormous potential for REDD+ in the country, in 2009 the REDD+ process in the DRC was initiated under the leadership of the Ministry of Environment and Sustainable Development (**MEDD**), with the support of the UN-REDD Program and the Forest Carbon Partnership Facility (**FCPF**), in consultation with Congolese civil society and local indigenous people. In 2012, the DRC adopted its National REDD+ Strategy and then adopted the 2015-2020 DRC REDD+ Investment Plan to raise the funds for strategy implementation.

The DRC's National REDD+ Strategy aims to stabilize forest cover to 63.5% from 2030 and maintain it thereafter. This Strategy was later approved by the UN-REDD Programme and became a full National Program.[3] In addition, since 2012 the DRC established a REDD+ National Fund to support the implementation of the National REDD+ Strategy by providing the structure needed for climate finance to flow, while ensuring compliance with social and environmental safeguards.[4] By the end of 2019, the

[1] https://wedocs.unep.org/bitstream/handle/20.500.11822/22918/Congo_Peatland_EN.pdf?sequence=1&isAllowed=y.
[2] https://www.forestcarbonpartnership.org/country/congo-democratic-republic
[3] https://www.unredd.net/regions-and-countries/africa/democratic-republic-of-the-congo-the.html
[4] https://redd.unfccc.int/uploads/3262_4_redd_investment_plan_eng.pdf

Steering Committee of the National REDD+ Fund had approved sixteen programs, together totalling over US$ 140 million in approved funding.[5]

In 2011, the DRC selected Mai Ndombe Province for development of its first large-scale Emission Reductions Program (**ER Program**) aiming to reduce carbon emissions from deforestation and forest degradation by 29 $MtCO_2e$ by 2022 while providing benefits for the 1.5 million inhabitants of the province.[6] The REDD+ investments supporting the Mai-Ndombe ER Program combine various sources of funding, such as the Forest Investment Program, the Central African Forest Initiative (**CAFI**) and the Global Environment Facility (**GEF**). In September 2018, the World Bank (acting as trustee of the FCPF Carbon Fund) signed an Emission Reductions Purchase Agreement (**ERPA**) with the DRC for the sale, transfer of and payment for emission reductions generated by the Mai Ndombe ER Program. However, at present, benefit sharing terms continue to be under negotiation and the ERPA is not yet in effect.[7]

At the project level, there have been REDD+ initiatives being developed in the DRC since 2011. For instance, there are currently two projects developed according to Verified Carbon Standard (**VCS**) methodologies (e.g., the Mai Ndombe REDD+ Project and the Isangi REDD+ Project) and another six REDD+ projects mentioned in the National Forest Monitoring System (**NFMS**).

The DRC's NFMS, launched in 2011, comprises the following distinct pillars: (i) the Satellite Land Monitoring System; (ii) the National Forest Inventory; and (iii) the Greenhouse Gas Inventory.[8] The three-year action plan (2015-2018) for the implementation of the National MRV System was validated in 2014 and is still under development.[9]

The process to develop a nesting architecture in the DRC started when the FCPF program began design of a sub-national program and started the work on the Mai Ndombe ER Program, with subsequent ERPA negotiations with the FCPF carbon fund. Examples of the progress achieved by the DRC include the enactment of Ministerial Decree No. 004/2012[10], which refers to the approval procedures and requirements applied to REDD+ projects vis-à-vis the National REDD+ Registry, a new version of the Homologation decree for REDD+ project nesting, and a procedural manual[11] on the approval process of REDD+ projects developed in the DRC. The National REDD+ Registry was incorporated in the NFMS to allow the registration of all REDD+ projects and to help coordinate the activities at the national level.

The DRC has accomplished the following development milestones for the Warsaw Framework:

- The REDD+ National Strategy was adopted in 2012;

[5] https://www.cafi.org/content/cafi/en/home/partner-countries/democratic-republic-of-the-congo/drc-fonaredd-programmes.html
[6] https://openknowledge.worldbank.org/handle/10986/29720
[7] https://www.forestcarbonpartnership.org/system/files/documents/FCPF_Annual%20Report_2019.pdf
[8] https://www.forestcarbonpartnership.org/system/files/documents/DRC%20R-Package%20English.pdf
[9] http://www.gofcgold.wur.nl/documents/CopernicusREDD/5_CongoBasin.pdf
[10] http://www.forestpeoples.org/sites/fpp/files/publication/2013/05/arrete-n004-fixant-la-procedure-d-homologationv2.pdf
[11] http://www.forestpeoples.org/sites/fpp/files/publication/2013/05/annexe1manuelprocedurehomologationnational-pligatoire-des-initiative-redd-en-rdc.pdf

- The NFMS was launched in 2011 in collaboration with FAO and the Brazilian National Institute for Space Research (**INPE**), with financial support from the UN–REDD Programme, CAFI, and DIAF (which is the responsible department within the Ministry of Environment);
- The FREL was submitted to the UNFCCC in 2018, and the Forest Inventory and Planning Department (**DIAF**), a technical department under the MEDD General Secretariat, led the production of the National FREL, supported also by the University of Maryland and the Food and Agriculture Organization (**FAO**); and
- The Safeguard Information System (**SIS**) was developed with the support of the UN–REDD Program. The DRC also participated in preparation of National REDD+ Social and Environmental Standards (**REDD+ SES**) which apply to the management, monitoring, reporting and evaluation of all REDD+ activities conducted in the country (Pelletier et al. 2018).

The governance structure for the REDD+ process in the DRC was established by Prime Minister's Decree No. 09140/2009 and created a National REDD+ Committee, an Inter-ministerial REDD+ Committee, and a National REDD+ Coordination unit. Their respective functions can be summarized as follows:

- **National REDD+ Committee:** decision-making body for issues related to REDD+ and comprised of various Ministries, civil society and private sector representatives.
- **Inter-ministerial REDD+ Committee:** planning entity for REDD+ activities responsible for ensuring that the cross-sectoral elements of REDD+ are taking into consideration in the decision-making process.
- **National REDD+ Coordination (CN-REDD):** within the MEDD and responsible for the implementation of the day-to-day decisions. It contributed to the finalization of the REDD+ Readiness phase, steered the establishment of the National REDD+ Strategy and assisted in the development of the Mai Ndombe Province ER Program.

Regarding carbon rights, the Constitution of the DRC confers ownership of all natural resources above and below ground on the State. In addition, Law No. 73-021/1973 on land-related matters stresses that all property of the state is exclusive, inalienable, and imprescriptible. Furthermore, the "Forest Code", Law No. 011/2002 regulates activities in the forest sector of the Democratic Republic of the Congo and stresses the ownership of the State of all forest resources, including carbon rights, while recognizing customary rights of usage for local communities.

In practice, the State has a broad power on the allocation of natural resources at the individual, collective, commercial, and non-commercial levels. Local customary rules are recognized by the DRC's legal framework, provided they do not contradict statutory law and conform with public order, right and equity. In practice, even though the State claims ownership of all forestlands, in some areas, customary institutions govern forest and land resources.

Due to the lack of coordination and/or harmonization between the customary and statutory institutional structures of forest governance, which is present in some areas of the DRC territory, the Ministry of the Environment has mandated all project proponents (logging or conservation) to set up 'Local Development Committees' (**LDCs**). LDCs have been required by Ministerial Decree for forest governance, resource management and social activities definition, and for the execution of the Social contract and

agreement (known as Cahier de Charges) between the community and the project proponent (either conservation or logging). The LDC aims at facilitating REDD+ implementation by building local trust and legitimacy with customary institutions. For instance, in the Mai Ndombe ER Program, (where all of the presidents of the LDC in every village are locally elected individuals) members of the village committees are elected during public meetings, and members of the executive committee are elected from the village general assembly.

In the DRC, forest carbon is considered as a non-timber forest product obtained from a Forest Conservation Concession. The Forest Code (Art. 83 and 86) and the Prime Minister's Decree No 08/09 of April 08, 2008, specifies the legal provisions for acquisition and management of Forest Conservation Concessions. Carbon credits in the DRC are treated by the state as a resource extracted from conservation concessions. Finally, the Ministerial Decree No 025/CAB/MIN/ECN-DD/CJ/00/RBM/2016 regulates Local Community Conservation concessions. Under this decree, local communities can obtain concessions for logging or conservation and enter into contractual agreement with third parties. However, carbon rights agreements follow the same process as presented above.

Challenges nonetheless remain, mostly due to low levels of technical and institutional capacity and a lack of State control in parts of the national territory. In addition, two interrelated challenges to the development of REDD+ facing the DRC put at risk the effectiveness that REDD+ could play in conserving the country's remaining carbon-rich forests. Firstly, recent growth in demand for REDD+ credits within the voluntary market has created the potential entry of unethical players looking to take advantage of flexibility in the standards to enrich themselves at the expense of communities. Secondly, many legitimate conservation groups without REDD+ expertise are eager to see if REDD+ can provide sustainable financing for their conservation work, and in some cases, are out in front of national REDD+ implementation, navigating with uncertainty significant technical issues on a case-by-case basis with government. These circumstances could be disastrous for the long-term credibility of legitimate conservation through private sector REDD+ projects in the DRC and could prevent millions of dollars of financing from reaching those most committed to forest conservation and climate change mitigation efforts.

Despite these challenges a fantastic opportunity exists for REDD+ projects to strongly support the DRC in realizing its climate goals, while at the same time delivering crucial social and biodiversity benefits. Demand for DRC voluntary carbon credits is at an all-time high and is showing continued growth, but until now there has been little guidance published for the project development community. To harness this opportunity, we present guidance that addresses the most significant design elements of any avoided deforestation REDD+ project, whose aim is to enable the Government of the DRC, DRC forest communities and international auditors to more consistently, and therefore more efficiently, interact with private sector projects. This in turn is intended to enable rapid growth in project-based REDD+ in the DRC, without compromising quality.

Section 1: Guidance on Risk Mapping, FREL Allocation and MRV

The Risk Mapping, FREL allocation and MRV best practice elements are built on the following basic concept: a differential REDD+ incentive system must clearly define local emission reduction

performance targets for communities, thereby rewarding those communities that perform at reducing emissions. Over time, this should lead to increased REDD+ performance at the national level, without the entire reward system being dependent on national-level performance from the outset. Supporting this basic concept, the following best practice elements are organized into three sets of principles.

Risk Mapping and FREL Allocation *First principles*: Internationally Accepted Practices.

Many REDD+ countries have elected to allocate their national FREL to establish performance targets against which the marketplace can reward future performance by existing stakeholders, and to incentivize new investment in forest protection.

Emerging international best practice for this process is to allocate the FREL to remaining forest according to the risk of future deforestation or degradation.

By focusing on risk of future deforestation, performance incentive is concentrated where it is most needed: in the areas with the greatest deforestation risk, typically at the deforestation frontier, which in turn serves to optimize emission reduction performance. There is growing international convergence on a set of first principles that can guide model design choices that are practical and science-based:

A. Spatially explicit FREL allocation within existing forest effectively optimizes emission reduction performance by differentiating incentive.

B. The most significant spatial driver of future deforestation is past deforestation. (While other risk vectors may exist, this is established as the most important factor.)

C. A FREL should be allocated over remaining forest, which is where avoided deforestation or degradation projects will exist and where incentive to protect the forest should be focused.

D. FREL allocation models should use the national forest definition to locate the areas to distribute a FREL.

Risk Mapping and FREL Allocation *Second principles*: Recommended Criteria for General Best Practices.

The DRC REDD+ project developer group proposes the following additional principles that when applied above and beyond first principles, we suggest will best support an effective incentive / reward system.

A. As the purpose of an allocation model is to create clear, achievable site-scale targets to protect threatened forests, we recommend the following:

    1. The allocation model presented herein is intended to be applied to the DRC national FREL, although it may in practice be applied to any FREL.

    2. Because allocation models are decoupled from the calculation of the FREL and introduce no further error into the national FREL calculation process, the allocation model presented herein does not require further uncertainty or error discounting beyond those applied to the national FREL calculation itself (with the possible exception of a non-permanence risk buffer contribution).Because FREL allocation models are predictive, traditional land use

change models' accuracy or completeness measurement techniques, which focus on measuring the accuracy of land cover change predictions (i.e. prediction of future deforestation rate), are not applicable. As such, the allocation model presented herein is intended to serve as a tool to execute national policy, with a primary objective of providing a pathway to achieving the DRC's Nationally Determined Contribution (NDC) goal. Third principles defined below accordingly drive the selection of risk map parameters that support this end, by focusing incentive in high-risk, investable areas.

B. The FREL allocation model must be "fit for purpose", which we define as providing the ability to implement policy that will ultimately result in the channeling of finance to local forest areas that most require it, while creating a framework for broad participation in deforestation efforts over the long term. As a project developer group, we therefore reject the notion of a "zero risk" area. The forest dynamics in the DRC suggest that today's safe and protected forest could easily be tomorrow's threatened forest, especially if the needs of local communities are not met. Thus, a fundamental purpose for the DRC is that all forested areas are eligible for REDD+ finance, especially those that are home to indigenous and forest-dwelling communities.

C. We submit that risk maps should be vector-based (discrete areas extending outward from historical deforestation) as opposed to raster-based (wall-to-wall grid of pixels). This allows for policy decisions to support the concentration of incentives in contiguous, distinct regions. It also allows for relatively simple and accurate calculation of project-scale reference levels.

Risk Mapping and FREL Allocation *Third principles*: Recommended Best-Practices for DRC Projects.

The following principles represent the DRC REDD+ project developer group's criteria for model implementation:

A. The risk map should be chosen that strikes the best compromise between empirical scientific rigor (e.g., achievable minimum project effectiveness in reducing local emissions, that when aggregated, results in meeting DRC's NDC goal) and fitness for purpose (e.g., project reference levels that provide adequate incentive to stimulate investment in projects across the national forest estate).

B. The risk model should remove small forest patches (e.g., remnant forests, urban mosaic areas, etc.) from the FREL allocation. This will serve to concentrate the allocation, and therefore incentive, into those areas of sufficient scale where nested REDD+ projects should or could be implemented. The group further believes that the odds of protecting smaller fragments is extremely low and allocating the FREL to small patches would squander potential incentive that could be allocated elsewhere. The group suggests using either a minimum forest patch size or an applicable landscape fragmentation metric to determine which areas should be eligible for FREL allocation.

C. As the national FREL used average carbon stock factors per land cover strata, if possible, nested project reference levels should be adjusted according to the relative proportion of nationally measured carbon stock factors within the project area to the average national carbon stock

factors. Areas with higher carbon stocks than the national average should be adjusted upward, and those with lower stocks, downward.

D. Risk map and allocation workflow should be implemented according to figure 1 below, described as follows:

1. Risk should be mapped nationally using the following considerations:

    i. Split the historical deforestation dataset into a prediction period and a testing period. Ideally the two periods should be as close to each other in length as possible.

    ii. Develop multiple predictive risk maps at varying multiples of the area of contiguous historical deforestation patches. This is represented by the "m" parameter detailed below, which we recommend varying between 1 and 120. (e.g., an m value of 60 means that each risk buffer is set to be roughly 60 times the area of the historical deforestation patch from which it was calculated)

    iii. Through exploratory analysis, determine the predictive power of auxiliary risk variables (e.g., distance to navigable rivers, roads, etc.) to determine their eligibility for inclusion in the risk map.

2. Two risk strata (high-risk and low-risk) areas (in hectares) should be calculated for each project and fed into the allocation model.

3. A portion of the FREL (in tCO2e/ha/yr) should be allocated to high-risk areas, and a portion (also in tCO2e/ha/yr) to low-risk areas, according to an allocation "split."

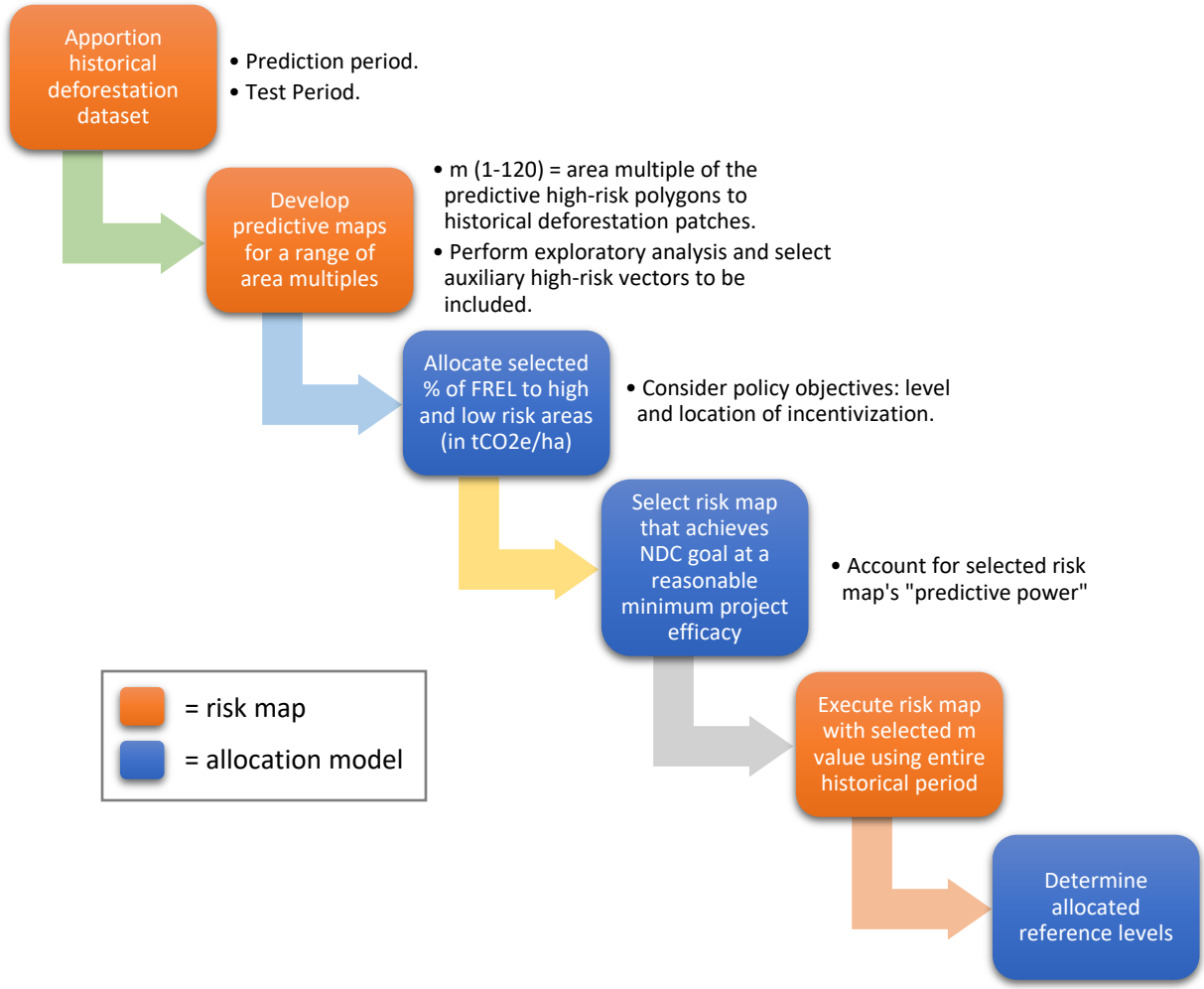
    i. The group recommends allocating a sufficient percentage of the FREL to the high-risk region to adequately incentivize performance in high-risk areas.

4. A single risk map (representing a particular "m" value) should be selected that will achieve the DRC's NDC goal at a reasonable project efficacy level.

    i. For example, in Table 1 below, for the "m=60" risk map, we calculated the map's predictive power at 69.7% (the predicted high-risk area developed from historical deforestation in the prediction period captured 69.7% of emissions in the test period). Therefore, to meet DRC's NDC goal of reducing emissions below the business-as-usual scenario by 17% by 2030, projects would need to reduce emissions by 24.4% in the high-risk zone.

5. Once a map associated with a particular "m" value is selected, a risk map predicting future risk of deforestation, using the selected m value, should be built using the entire historical reference period.

Figure 1. Risk-based allocation process diagram.



We present below an eight-step process to guide risk mapping and FREL allocation model parameterization. The steps are presented as questions whose answers can be used to inform the values of model input parameters. The result of the process is a risk map and accompanying FREL allocation model, from which FREL incentive – in the form of tCO2e/ha - is allocated to each hectare of forest.

The model can be aggregated to provide a specific FREL target to any level of activity for any stakeholder under the DRC National REDD+ program, whether a sub-national program, a REDD+ project, a community, or a business.

Table 1. DRC Risk map metrics with varying area of high-risk predictive region (m).

m	***High Risk Area Multiple***[12]	***Predictive Power***[13]	***Required minimum project efficacy***[14]
1	0.62	12.1%	n/a
2	1.03	19.0%	89.5%
3	1.32	24.0%	70.9%
6	2.07	33.9%	50.2%
9	2.61	40.3%	42.2%
12	3.05	45.0%	37.8%
15	3.43	48.7%	34.9%
30	4.81	59.8%	28.4%
45	5.79	65.8%	25.8%
60	**9.07**	**69.7%**	**24.4%**
75	7.18	72.6%	23.4%
90	7.73	74.8%	22.7%
105	8.21	76.6%	22.2%
120	8.64	78.0%	21.8%

[12] The multiple of the predicted high-risk area to the area of historical deforestation.
[13] The percentage of deforestation in the test period captured by the high-risk area.
[14] The minimum project efficacy required to achieve a 17% reduction below BAU (DRC's NDC goal) if placed within the high-risk area. Note that a Project efficacy greater than 100% is not possible and denoted with "n/a".

FREL Allocation Model Design Steps.

Table 2. Design Questions and Corresponding Responses for the DRC Risk Map and FREL Allocation Model.

= Risk Map = FREL Allocation Model

Design Question	Response Considerations	Example Responses	DRC Best Practice Guidance Response
1. What is the absolute FREL in tCO2e to be allocated?	i. What are the possible options for FRELs that can be implemented in the DRC? ii. Are there any removals from the allocated FREL? iii. Is there any planned deforestation? iv. Does the FREL include legal logging? v. Are there existing commitments to existing projects from the national government? vi. Are there other land-use policies that do not follow the model hypothesis or pattern of historical deforestation?	• The National FREL submitted to the UNFCCC. • A VCS JNR national / sub-national FREL • An FCPF MF jurisdictional FREL • An ART TREES national / sub-national (interim) FREL	• The national FREL should be allocated. ○ Honor sovereigns' right to calculate their own FREL, assess their own accuracy and leverage their forest estates to maximize REDD+ finance. Also promote FREL transparency, ease of reconstruction and auditability.
2. How should threat level be differentiated across existing forest?	i. If deforestation has been spatially uneven across the country, threat should be differentiated. ii. If threat is uniform, the government may wish to distribute the FREL evenly. iii. Getting this wrong could result in disincentivizing high-risk areas and over incentivizing low-risk areas.	• Differentiation of threat level (e.g., varied FREL "density" according to threat level) • Uniform distribution (e.g., an average FREL "density" is applied everywhere).	• Incentive should be differentiated and based on risk of future deforestation. ○ DRC deforestation is non-uniform, suggesting a differentiated approach.
3. How many levels (classes) of threat differentiation are appropriate for the national context?	i. Are multiple risk classes necessary and do they increase the predictive capability of the model? ii. Does a "zero-risk" class match policy / benefit sharing goals?	• Two risk classes: (high and low) • Multiple risk classes.	• Risk is mapped at two risk levels (classes): high and low, with no "zero-risk" strata. • A 3 risk-class model was tested (high, med and low). The extra medium risk class did not increase model robustness. • Single high-risk area simplifies and clarifies allocation.

			• Appropriately low percentage of FREL can be allocated to low-risk area without "zero" risk for any area in the country.
4. Which variables need to be examined as proxies (auxiliary) for the level of future deforestation risk?	iii. How can significance of auxiliary variables be determined? iv. How can policy-driven threats be incorporated?	• Historical deforestation patch size. • Physical threat vectors (e.g., roads, navigable rivers, settlements, illicit crops, etc.) • Policy-driven threats (e.g., development plans, pioneer initiatives resulting in planned deforestation, protected status, etc.)	• Proximity to navigable Rivers / Water bodies and roads were examined and found to be insignificant in DRC compared to distance from historical deforestation. They were therefore omitted from the analysis. • Testing significance of navigable water and roads yielded minimal accuracy at reasonable distances from risk vectors. • Adding large risk areas required to increase accuracy decreases precision. • Distance from roads, rivers coincide with historical deforestation, adds negligible predictive power. • Planned deforestation is highly unpredictable and subject to policy changes. It was therefore decided to exclude it from the risk analysis.

5. How should distance from threat vector (e.g., size of the predictive area) be determined when creating the risk class(es)?	i. This is perhaps the most important design decision.
	ii. Will resulting risk maps be "fit for purpose" (e.g., does the risk map resulting from this decision make practical sense?)
		• Static distance (e.g., 1km, 2km, 5km from historical deforestation) defines risk class.
		• Dynamic distance (e.g., proportional to area of historical deforestation patch), which assumes that larger historical patches represent greater risk.
			• The high-risk area is dynamically built: the size of the high-risk predictive varies with the historical deforestation patch size.
			  ○ The primary assumption is that larger threat vectors represent greater risk of future deforestation.
			  ○ Multiples of historical deforestation patch area tested (m) between m=1 and m=120 for high-risk prediction area.
			  ○ A dissolving effect with higher m values yields decreasing area multiples as m is increased.

6. What ratio of allocation is desired between levels (classes) of risk?	i. Distributions must "roll up" to the total FREL being allocated. ii. The size of the risk areas could affect this decision (e.g., larger risk classes require a greater allocation to achieve a desired FREL density in tCO2e/ha).	• Policy decision (e.g., 90% of the FREL distributed to the high-risk strata) • Tied to a risk map metric (e.g., if the predictive power of the risk map is 70%: allocate 70% of the FREL to a high-risk class and 30% to a low-risk class)	• An allocation ratio (high/low) was selected according to ability to achieve DRC's NDC goal of 17% reduction in emissions by 2030 with no more than a 25% average project efficacy within the high-risk area. ○ Allocation can be determined based on an assumption of projects' performance efficacy. ○ m=60 map features a predictive power of 69.7% and will achieve 17% reduction below BAU with no more than 25% project efficacy (see Table 1).
7. At what administrative level(s) should allocation be performed?	i. Single stage is simple, clear and captures risk explicitly. ii. Multi-stage can capture surrounding risk that may not be inside, or adjacent to, site-scale activities.	• Single stage: the national FREL is allocated directly to site-scale activities. • Multi-stage: e.g. the national FREL is first distributed to a lower-level administrative area (e.g., province or territory) and the average FREL is then applied to the site-scale activity.	• Allocation is single-stage: The national FREL is distributed directly to site-scale activities (projects). This reflects that high risk based on actual historical deforestation is the same regardless of land tenure or administrative boundaries.
8. Should location-specific (or circumstantial) adjustments be made to the allocated FREL?	i. Adjusted RELs can be removed from the allocation and the allocation re-run.	• Projects with exceptionally high carbon stocks should have FRELs adjusted upwards. • An existing project has historical legal commitments from the government that need to be honored. • Existing projects that have succeeded in protecting highly threatened forests are rewarded.	• The group proposes the following adjustments to allocated reference levels. ○ Projects with existing commitments from the national DRC government should be honored. ○ Reference levels should be adjusted according to carbon stocks.

GHG Emissions MRV *First Principles*: Internationally Accepted Principles.

Monitoring, Reporting and Verification (MRV) of emissions is a key input, in addition to reference level setting, for the calculation of project-level emission reductions. The DRC REDD+ project Developer group suggests recognizing at a minimum the following internationally accepted principles for project-level MRV for the DRC under a nested REDD+ Program:

E. All projects should at a minimum adhere to either the MRV criteria of either the national government, or applicable standard / framework. Such criteria typically dictate whether MRV will be conducted locally or centrally at a jurisdictional or national level.

F. Project practitioners should adhere to best international practice standards, whether measuring biomass in-situ or activity data via remote sensing. It is generally considered easier to achieve higher accuracy or completeness at the local level, but by contrast, local measurement and data can be more difficult to control and/or aggregate into a national system. For this reason, some REDD+ governments have decided to perform MRV centrally at the national level, using national activity data and emission factors.

G. MRV is generally performed by multiplying Activity Data by Emission Factors to achieve an estimate of emissions in tCO2e.

    1. The activity data is the amount of land that transitions from each land use to another for all possible transitions. For example, the amount of primary forest that transitions to secondary forest, and primary forest to non-forest. The activity data is generally mapped with remote sensing methods.

    2. Emission factors represent the amount of carbon dioxide equivalent emitted during each possible land use transition. Emission factors are typically15 calculated using ground measurements and reflect the initial carbon stock of each forest class adjusted for the residual stock left after the transition.

GHG Emissions MRV *Second Principles*: Recommended Criteria for General Best Practices Applied to the DRC

The DRC REDD+ Project Developer Group recommends the following guidance for performing project-level MRV in the DRC.

A. MRV is descriptive, unlike the FREL allocation model, which is predictive. Accuracy is therefore measurable, and high accuracy (conceivably up to 100%) is achievable. With MRV for REDD+, accuracy and completeness should be strived for, and only in their absence should the principle of conservativeness be applied.

B. The principle of conservativeness has been both widely misunderstood and misapplied in REDD+. The principle of conservativeness states that when completeness or accuracy of estimates cannot be achieved, the reduction of emissions should not be overestimated, or at least the risk of overestimation should be minimized (e.g., Grassi, 2007, Grassi et al 2008, Mollicone et al). The principle of conservativeness does not stipulate adjustment of results in

[15] Other new technologies such as LIDAR have been put forward to measure carbon stocks remotely, and tested in the DRC, but due to cost and accuracy concerns, were not deemed to be fit for purpose by this group.

either direction either based on measured accuracy, nor as an a-priori decision preceding measurement of accuracy. Rather, it requires a lower estimate (i.e., conservative) if results show that measurement accuracy *cannot be achieved* or if results are *considered incomplete*. For example, consider the case where the cost of measurement (e.g., more plots, more analysts, additional time required, etc.) is not worth the increase in accuracy; here, a conservative result would justifiably be chosen. Additionally, the principle of conservativeness should not be applied a-priori to the methods used to calculate performance, as it is not possible to evaluate accuracy or completeness until data has been collected or analyzed.

C. MRV should be performed at the local level, if possible, for the following reasons:

    1. Highly detailed MRV can be achieved (as noted, in first principles above, there is general superior accuracy of local measurement).

    2. Biomass measurement is an important aspect of a project's monitoring plan.

    3. Local biomass data can inform the national inventory and may help align the project with national DRC efforts.

    4. Local MRV is visible to local forest communities and provides a great source of local employment.

D. If a national/sub-national MRV is restricted to be performed by either the DRC government or an institutional donor entity (e.g., FAO, UNDP, etc.), we suggest that:

    1. Project-level results should inform national/sub-national MRV measurement, if allowed.

    2. Project developers or local communities should strive to maintain the right to check and approve national/sub-national emission measurements applied at the project level.

E. The group recommends estimating project emissions historically to compare to allocated reference levels. This will serve the purpose of estimating potential future yearly emission reductions (crediting) for projects if the FREL allocation model is employed.

GHG Emissions MRV *Third Principles*: Best Practices for Project-level MRV

The DRC REDD+ Project Developer group recognizes the following implementation guidance to support an effective approach to involve communities in performing MRV locally in DRC REDD+ projects:

A. Forest Inventory

    1. We recommend identifying a small number of forest strata representing distinct areas of forest. These generally follow environmental factors such as: soil types, water, topography, etc. (For example, primary dense humid forest, secondary dense humid forest, primary swamp forest, etc.)

    2. Nested projects in the DRC should align with DRC national forest strata mapping and forest strata categories.

    3. Inventory goals should be determined by establishing the minimum number of plots required to meet or exceed target inventory uncertainty goals. For example, VCS

projects require at most 15% uncertainty (when a 95% confidence interval is applied), above which crediting is discounted.

   i. A pilot study should be performed to determine expected forest variability, estimating the number of plots needed to achieve target inventory uncertainty.

   ii. A small number of plots should be measured in the project area.

   iii. Standard statistical equations should be used to estimate n (number of plots): inputs include mean carbon stock and standard error from the pilot study, the project area, and a target accuracy. The equation should estimate the number of plots needed to achieve said accuracy.

   iv. The group recommends adding at least 10% to the minimum number of plots to meet uncertainty targets.

4. Establishing Plot Locations.

   i. Plots should be randomly placed per strata, either using a stratified random placement or a stratified regular (grid) placement. If grid placement is used, the location of the first plot should be random.

   ii. Proper separation between plots and distance from project boundary(ies) should be ensured.

   iii. Per the theory of random sampling, the group recommends unbiased plot measurement (e.g., movement of plots should only be done if necessary, such as for personal safety or inaccessibility, and never for subjective reasons).

   iv. Criteria for plot re-location (e.g., if a plot is inaccessible) should be established a priori. Plots should never be moved or discarded unless they meet one or more of these criteria.

5. Field Training.

   i. Accuracy and detail should be adhered to and is of paramount importance.

   ii. We highly recommend training local community members for forest inventory sample plot teams. This can be a very efficient and effective means to achieve an accurate biomass inventory. It also develops capacity at the local level and is a fantastic way to engage with communities, providing valuable benefits and establishing goodwill and a positive project-community relationship.

   iii. Generally, a 1-week training program is recommended, beginning in a classroom setting and then moving to “on-the-job” measurement of real plots under supervision.

   iv. The group recommends establishing biomass sampling team leaders who will be responsible for plot accuracy.

6. Measuring Project plots.

   i. About circular vs. square plots: establishment of plot boundaries is essential to the forest inventory process – to facilitate accurate and rapid measurement, the group strongly suggest using circular plots.

ii. About plot diameter/size: based on the group's practical experience, we recommend a 15m – 20m plot radius. Anything larger may be overly arduous to measure. Smaller plots may not capture a proper mean value for biomass per hectare.

iii. Measurement equipment should be sourced and purchased from reputable vendors, with a focus on quality and durability. DRC forest conditions are very unforgiving, and purchasing cheaper equipment often ends up being more expensive in the long term.

iv. The group recommends measuring at a minimum the metrics required for input to allometric equations: DBH and tree species. In addition, the following forest metrics are recommended for measurement.

I. Tree canopy diameter (for measurement of canopy cover percentage per plot and for the project overall).

II. Angle from north and distance from center (for future tree location identification).

III. Tree height is extremely difficult to measure (rapidly and practically) as part of a biomass inventory in the dense DRC rainforest. Additionally, the allometry literature indicates the potential for large estimation bias when measuring tree height in the field (M.O. Hunter et al. 2013). Measurement of tree height is therefore not included as part of the group's recommendations for MRV best practice.

B. Activity Data and Land Cover Change Analysis.

1. Project developers will be asked either to apply MRV performed at a central level by the national government or may alternatively be permitted to perform land cover change analysis locally.

   i. Activity data measured at the national level should be checked for accuracy at the local level.

   ii. If MRV is permitted to be performed locally, steps should be taken to ensure the data is properly integrated into the national REDD+ system.

2. Local MRV models should use high-quality data inputs. Global datasets, while convenient and often free, can often introduce errors at the local level and should be avoided. If possible, localized land-cover analysis should be performed and accuracy assessed using local reference data (e.g., ground-truthing points or high-resolution imagery). If it is necessary to use a global dataset, its accuracy at the local level should be checked against local data and its applicability duly determined.

3. Project developers should establish an MRV schedule and budget prior to registration and issuance. Considerations should be made for those projects that intend to verify and register credits on a different schedule than the national MRV program (e.g., a project wishes to register credits annually, but the national MRV is performed every two years).

Section 2: Best Practices for Effective Implementation of Free Prior and Informed Consent.

These best practices guidelines for effective implementation of FPIC are organized like the preceding section, beginning with *First Principles* which represent the key minimum legal requirements around FPIC in the DRC that all projects must adhere to. Going beyond the basic legal requirements, *Second Principles* present general FPIC best practice based on international good practice and lessons learned from the DRC and elsewhere. Lastly, to assure high-quality REDD+ credits, the *Third Principles* are best practice guidelines that the DRC REDD+ project developer group recommends for adoption in the DRC. The advantage of building upon national legislation is that it can reduce the costs of establishing and operating new institutions for implementing FPIC for REDD+ and build political support from the national government.

Free, Prior, and Informed Consent (FPIC) *First principles*: Legal provisos.

The project must understand requirements under the **DRC FPIC Law** and align with the prospective standards and international good practice on FPIC, such as CCB standards' requirements.

- *Arrêté Ministeriel* No. 026/CAB/MIN/EDD/AAN/KTT/04/2017 of November 08, 2017.

This decree sets the framework for National Directives on Free Informed and Prior Consent (CLIP, in French) within the framework of implementation of REDD+ in the DRC. These FPIC principles broadly require that, first, the indigenous peoples and local communities are **fully informed** prior to the initiation of the project and have a proper understanding of the proposed REDD+ project, and secondly, the project proponent elaborates, negotiates, and validates an agreement with the local communities, culminating in an **official signature of the agreement** or rejection of the project by the communities. The decree proposes a series of nine key steps for the FPIC process:

- **Step 1**: Organize information, training and awareness-raising sessions for Local communities and Indigenous Peoples on human rights, laws, development options and environmental management, including REDD+ and verify their understanding of this information.
- **Step 2**: Identify customary lands and holders of land rights.
- **Step 3**: Map rights, resources, lands, and territories based on customary law.
- **Step 4**: Analyze the local context, carry out anthropological, socio-economic, and legal studies (land tenure or verification of the status of the land) and carry out the environmental and social impact study in conjunction with traditional and local authorities.
- **Step 5**: Identify and strengthen decision-making systems, governance structures within the community, and evaluate them for accountability while considering the gender dimension.
- **Step 6**: Identify and involve support organizations (facilitators) and set up a negotiation committee. Open negotiations regarding the proposed project.
- **Step 7**: Strengthen leadership, to deal with internal divisions, and generate consensus within the community. Set up a conflict resolution committee, according to local custom.
- **Step 8**: Develop, negotiate, validate, and formalize the agreement, using local language or one of the four national languages of the DRC (Swahili, Tshiluba, Lingala, or Kikongo). Document the obtaining or rejection of consent.
- **Step 9**: Establish truly independent monitoring bodies to ensure permanent monitoring and annual evaluation of the agreement to verify consent.

FPIC *Second principles*: Key lessons and general good practice.

A. **Local governance and democracy**: In addition to FPIC processes being built upon the national legal framework and the stipulations on safeguarding basic human rights, best practices for FPIC should also uphold local governance and democratic processes.

B. **Stakeholder identification and engagement**: This should be informed first by national legal requirements and guidelines, and then by international good practices including standards, e.g., the CCBA guidelines on FPIC and community engagement.

C. **Government engagement**: There is sometimes tension between engaging government and local authorities while ensuring the consultation remains "free" from the community's perspective. FPIC happens both vertically (government to community levels) and horizontally (within and amongst communities). Government engagement should be managed carefully and flexibly so that government and community will respect the outcomes.

D. **Appropriate form and medium**: Information, education and communication (IEC) should happen with all stakeholder groups including women, youth, chiefs / wise-people, and local government. Thus, audience segmentation is critical to ensure that the most fitting communication materials are used as deemed suitable for each group.

E. **Local intermediaries**: local facilitators should be used, as they are vital for effective awareness-raising, discussion, negotiations and building trust and ownership in both the process and outcome with communities.

F. **Iterative process**: FPIC activities should be viewed as a learning process. The process should be designed based on local needs, with feedback loops, sufficient flexibility, accountability, and collective action.

G. **Adequate time allowance**: The FPIC process should allow sufficient time for awareness-raising among community members and enable the absorption of information and internal discussion and decision-making. It is recommended that many separate visits (at least three) should be made with communities before consent is sought.

    1. Since FPIC is a dynamic and flexible process, patience is vital.
    2. A community can reserve consent at one point but then change this decision after some time has passed due to further deliberations or changing circumstances.

H. **Documentation**: Recording and documenting FPIC processes and decisions can be challenging and should be a compromise between the verbal and the written. Project developers should strive to use the community's established mechanisms.

I. **Managing expectations**: As FPIC happens prior to the start of a REDD+ project, managing community expectations is crucial. FPIC should be followed by actions soon after consent is given to maintain interest and to demonstrate commitment to any agreements reached between the communities and project developers.

J. **Feedback and recourse**: It is recommended that an agreement monitoring mechanism, for receiving feedback or addressing any grievances that are raised, should be identified and established at the point of consent.

FPIC *Third principles*: Best practices and market perception.

The DRC REDD+ Project Developer Group recommends the following best practices for adoption of high quality FPIC in the DRC.

A. **Stakeholder identification and engagement**: Identify key stakeholder groups (**DRC FPIC law Step 2**) including government, customary landholders, key community groups and analyze local context, e.g., relationships between the groupement, village, and hamlet levels, to determine who to engage or how to engage them (**DRC FPIC Law Step 4**)

    1. Inform communities of these FPIC Principles and application under REDD+: educate communities on the principles of FPIC as stipulated under DRC law and REDD+, including educating them on their basic human rights and development options (**DRC FPIC Law Step 1**)

    2. Review these FPIC Best Practices with the community and other stakeholders, including the **proposed FPIC Process** (see Fig. 2) and agree on the means of providing consent that are agreeable and appropriate to all parties involved.

B. **REDD+ introduction**: Present the general idea of forest conservation through a REDD+ process to all key stakeholders, including National Government, Provincial and Territorial Authorities, Customary and Traditional Rights Holders. This introduction should discuss basic principles, philosophy, and pros/cons to gauge stakeholder interest and obtain the initial buy-in for the general idea of the REDD+ project. For example, are the communities interested in forest conservation? Do they feel like REDD+ is a plausible means of achieving forest conservation? Will the project safeguard their interests and livelihoods?

C. If yes (no signed Agreement needed at this point):

    1. **Education and awareness**: provide accurate and complete information to all stakeholders on the proposed REDD+ process and expectations, ensuring it is provided in the right forms to all segments of the community and community groupings. Since awareness raising and the Information, Education and Communication (IEC) process is not only vital, but also slow and long-term, we strongly propose that it should entail **engagement of local animateurs and local facilitators** residing within the target communities. They understand local cultures, nuances, and dialects to ensure proper passage of information to the community, and are hence best placed to seek community buy-in.

    2. **Participatory Mapping** (**DRC FPIC Law Step 3**): Support the depth and knowledge of communities using appropriate tools and methods so that starting with key boundaries, they can map all rights, resources, lands, and territories based on customary law.

    3. Identify and strengthen local decision-making systems or institutions (**DRC FPIC Law Step 5**) through the formation or reinforcement of **Local Development Committees** (CLDs):

        i. Ensure all key indigenous and local community groups are meaningfully represented within the CLDs, including gender and any marginalized groups, as appropriate and conforming to the local cultures and norms.

        ii. Provide CLD members additional capacity building on the proposed REDD+ project to enable them to inform and educate the communities they represent.

This also serves to empower them to take ownership of the process and its outcomes.

4. Carry out the community **Social and Biodiversity Impact Assessment (SBIA) Workshop**: Through a facilitated process, CLD members should undertake the REDD+ SBIA Community Workshop process. This leads to the identification of the key community issues to be addressed by the proposed REDD+ project, highest priority project actions and their associated **theories of change**, which will enable development of action and monitoring plans. This education and awareness process culminating in the SBIA workshop will also enable these community representatives to feed any issues back to the community, providing them with another chance to decide whether they are still keen on proceeding with the proposed project.

D. If yes (no signed Agreement needed at this point):

1. **Benefit-sharing negotiation**: expound and progress the discussion on benefit sharing, providing additional details like projected revenues from Gross sales of estimated carbon credits to be generated from the project at various pricing scenarios, plus allocations to different buckets and stakeholder categories under the proposed benefit-sharing plan. Clearly indicate which benefits are expected to accrue to the local communities and how they will be distributed or used based on Government stipulations and SBIA community workshop outcomes.

2. Allow the community's consensus building process to take its natural course, including seeking external advice where needed (**DRC FPIC Law Step 6 & 7**). This will enable the community to further evaluate the proposed project considering the projected benefits allocated to them in the context of the benefit sharing plan.

E. If yes (no signed Agreement needed at this point):

1. Draft the **REDD+ Project Agreements** that reflect and incorporate the key elements/principles of the negotiated benefit-sharing allocations and agreements with the different communities and government entities. This is the critical document that is then to be discussed widely within the community immediately prior to final approval and consent.

F. **Signed Agreements** with the community are required for this last step.

1. Signed agreements with each customary clan or territorial chiefs as the traditional landowners for the different land units included in the proposed project area.

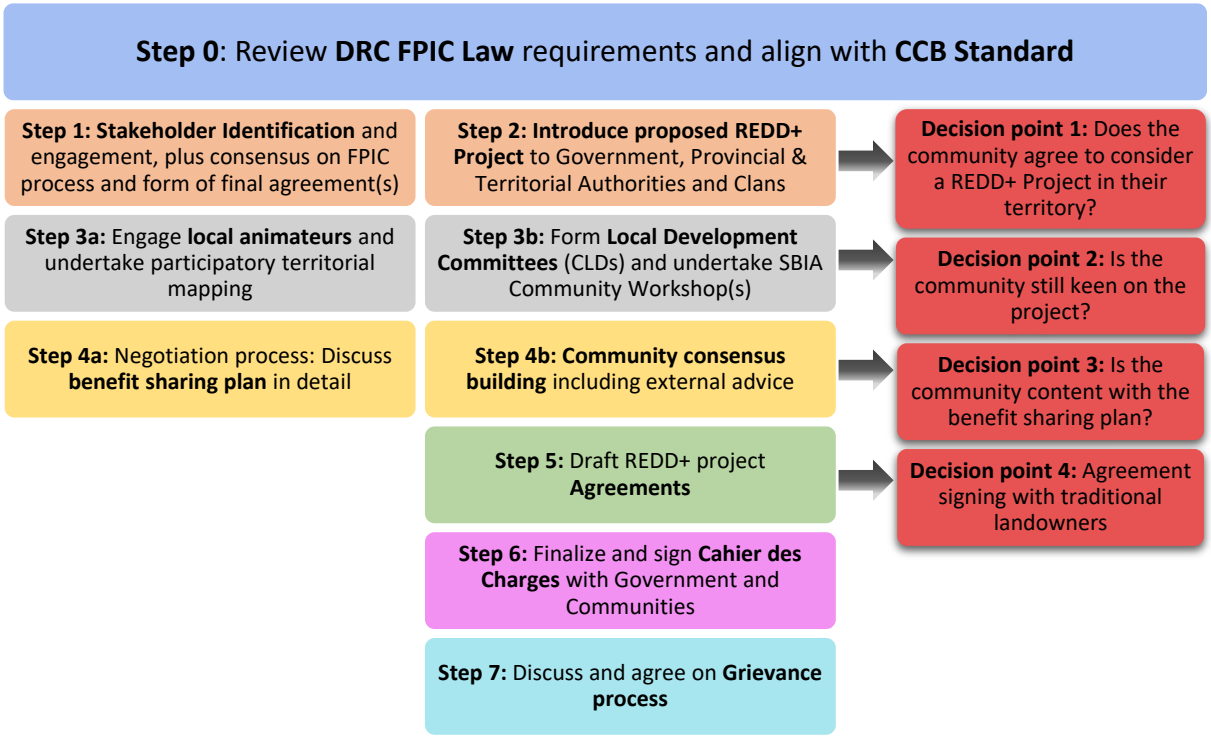
2. Where the proposed project area is a conservation concession, incorporate community views and aspirations into the **Cahier des Charges** with Government, which is also signed at this point too.

   i. Besides the legal stipulations, the Cahier des Charges should also incorporate the key results, strategic entry points and opportunities, gleaned from the community SBIA workshop.

   ii. Cahier des Charges should be signed by the various government levels (national, provincial, and territorial authorities), alongside all the traditional landholders e.g., clan leaders under (a) above.

G. **Monitoring and grievance**: discuss with the community about their culturally acceptable feedback and recourse processes and institutions necessary to monitor implementation of the Agreements they have negotiated and signed. This should include their preferred escalation and **arbitration processes** in case they feel like their grievances are not adequately addressed.

Figure 2: Schematic of the recommended FPIC process for the DRC under these best practice guidelines (NB: Step numbers match the bullet numbering under the Third Principles section above)



Section 3: Grievance and Recourse processes.

These best practices guidelines for effective mechanisms for grievance and recourse are organized in three parts: the *First Principles* represent the key legal requirements around the grievance and arbitration process in the DRC which all projects must, at a minimum, adhere to. Going beyond basic legal requirements, *Second Principles* present general best practice principles for grievance redress based on international good practice and lessons learned from the DRC and elsewhere. Lastly, to assure highest quality REDD+ credits, the *Third Principles* are the best practice guidelines that this collaborative group recommends for adoption in the DRC, adhering to national laws and subscribing to international good practice while remaining realistic and practical for implementation in the DRC context. The advantage of building upon national legislation as First Principles is that it can reduce the costs of establishing and operating new institutions for implementing the grievance mechanism for REDD+, aside from building political support from the state. We then build on them to improve the effectiveness and efficiency by bringing in lessons learned and international good practice, plus emerging market perceptions (Second and Third Principles).

Grievance and Recourse *First principles*: Legal provisos.

This grievance mechanism should continuously align with national legislation and international good practice on grievances and recourse, as well as with stipulations under the DRC REDD+ Readiness program as it continues to be developed.

- The **National REDD+ Framework Strategy** of the DRC refers to a grievance mechanism incorporating verification mechanisms such as an Independent Observer, and conflict resolution mechanism through amicable settlement or, if necessary, through the judiciary system.

Presently, the grievance process is provided for in the **2002 Forestry Code** regulated conflict resolution process under ***Arrêté Ministeriel* No. 103/CAB/MIN/ECN-T/15/JEB/09 of June 16, 2009,** on the organization and functioning of the commission and settlement of forestry disputes.

- Under this decree, conflicts and grievances that arise within a forest concession will be **resolved by a committee** comprising of the following members: The Territory Administrator, a territory supervisor from the Ministry of Environment and Sustainable Development (MEDD), a representative from the concession holder, the forest industry sector (or project developer), the Ministry of Land, the Ministry of Land Management, and a representative from the aggrieved party.

***Arrêté Ministeriel* No. 026/CAB/MIN/EDD/KTT/04/2017 of November 8, 2017,** also describes the principles, criteria and indicators for the implementation of FPIC under REDD+ in the DRC. Under this decree, **Principle 7** stipulates that: A **Grievance Resolution Committee** should be in place based on the free, prior, and informed consent of the community.

- Criterion 7.1: Disputes are resolved in accordance with **traditional methods of grievance resolution**. Conflicts arising between the project developer and community are discussed and resolved amicably. If conflicts persist, the competent courts must be referred to.

Grievance and Recourse *Second principles*: Important features and general good practice.

A. **Cultural appropriateness**: must consider culturally acceptable ways of handling community concerns to be embraced and used by the intended target groups.

B. **User-friendliness**: should be a clear and understandable mechanism that is accessible to all segments of the communities and at no cost.

C. **Transparency**: all stakeholders should understand complaints' registering avenues available to them, and all grievance and feedback-related processes should be transparent (with exception of protecting confidential information) to stakeholders and the public as appropriate.

D. **Confidentiality**: where appropriate, to protect confidentiality and privacy, all information regarding a complaint should be restricted only to those who genuinely need to know in dealing with the issue. As a caveat, some information about certain complaints may need to be disclosed to others during its resolution. The complainant needs to be informed of this and must be assured of no adverse repercussions.

E. **Fairness**: the process should be fair and perceived as fair by both the complainant and any person/s or party against whom the complaint is made. The process should be based upon principles of both the complainant's right to be heard, and the accused's presumption of innocence until proven guilty.

F. **Responsiveness**: complaints need to be resolved openly and as promptly as possible. All written complaints should be acknowledged in writing and resolved in a timely manner, bearing in mind that process and time frames for resolution will vary depending on the nature, complexity and timing of the issue.

G. **Predictability**: there should be set time frames, steps and processes for dealing with grievances and providing recourse that can be counted on, including who, when and how the project deals with all issues raised.

H. **No reprisal**: all parties must be protected from victimization, discrimination and retribution. The process must ensure there will be no reprisal, while leaving open access to other remedies like independent arbitration or legal processes if negotiations break down.

I. **Proportionality**: this should correspond to the likelihood of risks and adverse impacts on affected communities from the project.

J. **Consent withdrawal**: ultimately, consent remains voluntary and therefore even when given, can be withdrawn under reasonable circumstances.

Grievance and Recourse *Third principles*: Best practices and market perception.

The DRC REDD+ Project Developer Group recommends the following guidance for application of REDD+ project Grievance and Recourse Mechanisms.

The project's grievance process should be discussed with the community at the signing of the project agreement, following the FPIC process. It should reflect the community's desired and culturally acceptable means of monitoring and providing feedback on implementation of the agreement they consented to, plus seeking recourse in case of any grievances.

The following are key recommendations for projects for the design, development and implementation of a community-driven and responsive grievance and recourse process:

A. **Engagement**: project developers should engage local animateurs early during the FPIC process for continuous community engagement to ensure regular and accurate access to information by and from communities. This will help to avert grievances from arising or escalating. Involvement of resident local animators is a key asset to reassure community stakeholders of the project's commitment to meaningfully engaging the local community and to respond to their needs and aspirations.

B. **Design**: the grievance mechanism should be designed to address the concerns of the individual, group or community. The target users should fully participate in the formulation of the mechanism as something they can use and own.

C. **Publicize**: the mechanism should be mainstreamed into the project's broader stakeholder engagement process to ensure all targeted groups, community members and other stakeholders are aware of its existence. They should also know how to use it, including an understanding of the escalation and external arbitration process (e.g., through a mutually agreed Independent Observer) where necessary.

D. **Contact point**: the project should have a designated person and office for receiving, registering and processing all grievances. Typically, the Department of Community Engagement and/or Community Liaison and Outreach (under which the animateurs normally fall) is best-suited for this role, because they are in near-constant contact with the communities for the lifetime of the project.

E. **Investigation**: all feedback or complaints received should be promptly reviewed and investigated to address the root cause(s) and find the most appropriate solutions for all concerned parties.

F. **Closing**: once the issue raised is addressed and suitable resolutions are determined, responses should be provided to the complainant, following the established complaint close-out procedure.

G. **Documentation and communication**: the project should establish a registry system to catalog and document the grievance and recourse process, including its implementation. This forms the permanent record from which communication on decisions taken and/or progress on pending actions are derived.

H. **Monitoring**: lastly, the outcomes and resolutions reached should be monitored to ensure they are followed through, e.g., by initiating training, a change in mode of operations or adaptive management to avert their future recurrence.

Section 4: Fair and Appropriate Community Benefit Sharing Mechanisms.

Best practices guidelines on fair and appropriate community benefit sharing mechanisms are organized into three sections: the *First Principles* represent the key legal requirements around benefit sharing in the DRC which all projects must at a minimum adhere to. Going beyond basic legal requirements, *Second Principles* present general benefit sharing best practice principles based on international good practice and lessons learned from the DRC and elsewhere. Lastly, to assure highest quality REDD+ credits, the *Third Principles* are the best practice guidelines that this collaborative group recommends for adoption in the DRC, adhering to national laws and subscribing to international good practice while remaining realistic and practical for implementation in the DRC context.

The advantage of establishing First Principles as national legislation is to reduce the costs of establishing and operating new institutions for sharing benefits from REDD+, aside from building political support from the state. We can build on them to improve the effectiveness, efficiency and equity (3E) of benefit sharing, by bringing in lessons learned and international good practice, plus emerging market perceptions (Second and Third Principles).

Benefit Sharing *First principles*: Legal provisos.

A. Under ***Arrêté Ministériel* No. 047/CAB/MIN/AAN/MML/05/2018 of 9 May 2018**, the key legal requirements on benefit sharing as stated in official DRC documents include:

    1. **Article 24:** As part of the preparation and implementation of the REDD + Investment, project proponents are required to respect socio-environmental safeguards in accordance with the regulatory provisions

    2. **Article 25**: The holder of the REDD + Investment is required to comply with the regulatory provisions in force in terms of Free Prior and Informed Consent.

    3. **Article 26**: The bearer of the REDD + investment negotiates with stakeholders an agreement and a benefit-sharing plan according to the principles and models set out in the manual (see Figure 2)

    4. **Articles 10 and 12**: Stipulate the registry procedure for REDD + investment proposals in the DRC, while **Articles 15 to 21** stipulate the approval procedure for REDD+ investment proposals

B. 2006 Constitution: **Article 175** stipulates that provincial governments are entitled to 40% of national revenue they collect.

    1. Since 2013, with the onset of devolution in DRC, a 50 US cents ($0.50 USD) per hectare per year area tax is directly collected by the Provincial Governments for forest concessions within their province – this rule, originally for logging concessions, has been applied equally to conservation concessions.

C. 2002 Forest Code:

    1. **Article 89**: stipulates that industrial logging companies must sign a negotiated social agreement with local communities within and/or adjacent to forests within their logging concessions, which in the context of REDD+, we refer to as conservation concessions in this document. It makes provision for the '**Cahier des Charges'** (Social Terms of

Reference, hereafter referred to as the 'Social Clause') as a mandatory component of forest conservation concession agreements.

i. The Forest Code identifies beneficiaries as neighboring communities who have recognized **customary claims** overlapping with the conservation concession. They are identified through a legally mandated **socioeconomic survey.**

ii. Project developers must negotiate with these communities during the preparation of the **management plan**, where the stipulated negotiation guide requires communities to set up a '**negotiation committee**' that represents all community members, including marginalized and indigenous groups, women, and youth[16].

2. **Article 22**: presents possibilities for forest management by local communities, opening a window for participatory forest governance through the recognition of **community forests** for customary forest ownership.

   i. February 2016 **decree** on forest community has clear provisions for communities to have forest concessions of up to **50,000 ha.**

D. ***Arrêté* 072**[17] adopted on 12 November 2018 by the Ministry of Environment and Sustainable Development (MEDD): the annexed model agreement template provides the framework for the negotiation of the Social Clause of the Cahier des Charges, providing a list of '**socio-economic infrastructure and services**' to be provided and the structure for implementation and oversight of this work. It requires that the Social Clause establishes the social, health and education infrastructure elements of the project that should be negotiated with local communities. Further, this list is not exhaustive and local communities can add additional community benefits

   1. First, the model agreement under this Order (Articles 28 to 35) requires formation of a **Local Management Committee** (CLG) to manage and oversee expenditure under the Local Development Fund (FDL) and execution of projects agreed to in the Social Clause, mainly through review and approval of Local Development Plans (PLDs). The CLGs are comprised of one representative from the project developer and at least five elected representatives from local communities or indigenous populations whose territory (under customary tenure) overlaps with the conservation concession. Traditional authorities from these communities supervise the CLG president, who is an elected member of the local community or indigenous population.

   2. Second, the Order also requires a **Local Oversight Committee** (CLS) to monitor implementation of the Social Clause through examination of the CLG quarterly

[16] While these requirements apply in the context of conservation concessions allocated to REDD+ projects, they are also stipulated for the FPIC process as stated by ***Arrêté* of November 8, 2017,** on FPIC National Guidelines.

[17] It should be noted that this Order and legal process was designed for commercial logging concessions and not conservation concessions or REDD+ projects. Because of this, some sections of this order are not directly applicable outside of logging concessions. For example, the role of CLGs is identical to that of CLDs that are recommended in this document (See 3rd principles #5.). As government legislation evolves to explicitly incorporate REDD+, a more applicable law for this process may become available, at which time these best practices will be reviewed and updated.

report, particularly regarding the realization of the socio-economic infrastructure and related schedules of the Social Clause. The CLS, presided over by the head of the territorial administration, is comprised of a project developer representative and three representatives from local communities or indigenous population.

Benefit Sharing *Second Principles*: Important features and general good practice.

Conditions will vary both between and within provinces, projects, and communities, both spatially and temporally, but there are several **important features** underlying a well-functioning benefit sharing mechanism, both for national and project level REDD+. Benefit sharing is also intimately tied to the FPIC and grievance processes so the following principles should be considered and implemented together with the best practice recommendations for those processes:

A. **Stakeholder engagement:** Stakeholders should be carefully identified via key stakeholder consultations that include marginalized stakeholder groups. Stakeholders should be meaningfully engaged with locally appropriate methods. This forms the basis for determining incentives, builds ownership, trust, and legitimacy.

B. **Incentive design:** This should include the amount of incentive payments allocated to the different stakeholders, the timing and form of these payments, and the link with the actions agreed to with them as the foundation for pay-for-performance.

    1. Incentives should be designed by all relevant stakeholders including local community representatives. These should be informed by the opportunity costs of all stakeholder groups where a balance between respecting local customs and introducing more equitable distribution of benefits is struck. Incentive design should be revisited periodically as benefits, needs and legislation or customs change.

    2. As far as possible, incentive design should include both **monetary and non-monetary** benefits. Although communities often perceive benefits as infrastructure e.g., construction of schools, health clinics and roads, etc., its vital that during the negotiations an incentive design is presented that enables a clear discussion and formal agreement of what constitutes a benefit e.g., monetary, social capital (capacity building), health services, ecosystem services, and how the different benefit types will be measured.

C. **Delivery mechanism:** This should be a clear and transparent structure that is jointly designed and executed by appropriate community stakeholders, is trusted to disburse all forms of benefits to the community in a timely fashion, and with the desired accountability provisions.

D. **Transparency:** To assure legitimacy, information about all transactions should be available to all key stakeholders, and sometimes public, for scrutiny by civil society and government.

    1. While all key information should be made available to participating stakeholders, the project can determine what information is unnecessary or too sensitive to open to the public.

E. **Monitoring, feedback and review**: Implementation of the benefit sharing mechanism should be continuously monitored, especially with respect to dealing with any feedback and grievances from any stakeholder entity. Periodical evaluation of the entire benefit sharing

mechanism is highly recommended to ensure it remains flexible and adaptable, allowing for changes based on emerging issues or new knowledge, plus changing circumstances.

Benefit Sharing *Third principles*: Best practices & market perception.

The DRC REDD+ Project Developer Group recommends the following guidance for the preparation of benefit sharing mechanisms and agreements in the DRC:

A. **Benefit sharing and FPIC process:** For all proposed REDD+ projects, local communities shall be provided the opportunity to discuss and negotiate their benefit sharing allocations and disbursement mechanisms during the FPIC process (see Figure 2). These negotiated benefit sharing allocations and delivery mechanisms form an important component of the agreement that local consent to. This is required for all proposed REDD+ projects.

    1. For conservation concessions, this benefit sharing negotiation process with local communities is additional to the Social Clause stipulations under DRC Law.

B. **Benefit-sharing agreements:** These are required for all types of REDD+ projects and should be negotiated and agreed upon between the Ministry of Environment and Sustainable Development (MEDD), the Provincial and Territorial Authorities, Chiefs/Clan Leaders and the Project Developer[18] during the FPIC process.

    1. Besides general benefit-sharing Agreements, a formal Forest Conservation Contract (FCC) should be entered into with the MEDD for conservation concessions as required by DRC Law.

C. **Best practice recommendation:** Overall, we recommend that at least 50% of the revenue from the gross sales of VCUs remain in-country. (NB: See #4 below for transaction costs, international audit and operational costs, project developer and investor returns that are typically covered outside of host country.) For the in-country portion of the benefits, the group recommends that at least 50% is retained within the local communities where the project is located, as opposed to other in-country stakeholders or for Government benefits (see stakeholder definitions and descriptions in the Glossary, Annex 2a).

D. **Design of benefit-sharing rules:** These best practices are described as a benefit-sharing "waterfall" (Fig. 3), encapsulating a model that represents the following five key components[19]:

    1. **Gross sales**: is simply the **total project revenue** from all sales of VCUs for the project.

    2. **Transaction costs:** are the costs that enable issuance and sale of carbon credits. These normally come off the top after the sale of credits. Examples include sales commissions, brokerage fees, carbon credit registry fees and audit costs. Most of these costs are likely to be international, retained outside the host country and they are paid to actors other than in-country communities, government, or the project developer. The group recommends that transaction costs are kept to between **5 and 20% of gross sales.**

[18] Under **Article 89**, this forms the basis of the 'Cahier de Charges' (Social Clause) as a mandatory component of forest concession agreements

[19] See some worked-out examples in Annex 1 and a description of terms in the Glossary in Annex 2b

3. **Revenue share:** are the benefits often earmarked for offsetting the various key socio-cultural and other opportunity costs of the project. This component is guaranteed whenever there are VCU sales. In determining the revenue share percentage, projects should consider that while it is critical to allocate to stakeholders an assured income from revenues, it is as important to also remain conservative enough to ensure sufficient remaining funds for project operations over a range of VCU volume sales and pricing scenarios. The key potential stakeholders include:

    i. Local community: as compensation for behavioral and other changes made to reduce deforestation. Communities should determine by themselves how to spend this allocation[20]. The group's best practice recommendation is a range of **15-25% of total project revenue** for community revenue share

    ii. Government and any other[21]: including national, provincial and local/territorial through fees, rents and/or royalties as stipulated by DRC Law as landowners or following international good practice. The group's best practice recommendation is a range of **5-15% of total project revenue** for these additional stakeholders.

4. **Operational costs:** are the costs of executing and maintaining the project. These costs are critical for project implementation, assigned to financing those activities designed to address the key drivers of deforestation and deliver on the primary REDD+ project objectives, including the designated actions under the Social Clause. Operational costs are often the most predictable or fixed and are largely budgetary. They do not include self-determined community activities implemented through the local community revenue-share mentioned above. The group's best practice recommendation for operational costs is a range of **25-50% of total project revenue.** Key potential stakeholders include:

    iii. Local community e.g., through salaries, income-generating activities, key project activities undertaken at the project location and procurement of local goods and services. We recommend that the community is allocated **50-80% of total operational costs**. Unlike the revenue-share spending, spending under this allotment is not solely determined by the community, but by project management, to maintain continued project fiscal health.

    iv. Other stakeholders: this covers all other in-country costs, including provision of goods and services and other forms of project support that are not procured locally, e.g., Kinshasa-based staff.

    v. Government: covers all other legal requirements for operations e.g., surface or area taxes, legally required project, or local company audits and other statutory fees required to enable project operations.

[20] The Forest Code identifies beneficiaries as neighboring communities who have recognized customary claims overlapping with the conservation concession, suggesting communal rather than individual beneficiaries. This allocation is managed and administered through the Local Development Fund.
[21] Investor (optional): key project investors could also require a portion of the revenues to offset their capital investment.

vi. International: costs incurred outside the host country for technical and/or any other project implementation support e.g., externally-based GIS staff.

5. **Profit-share:** is the net profit accrued by the project from the total revenues less revenue-share and operating costs[22]. This category is most at-risk, because it not only depends on the volume and price of VCUs between projects and sales' cycles, but also on negotiated revenue-share and (fixed) operating expenses. The group's best practice recommendation is for profit-share to be kept within a range of **15-33% of total project revenue.** Key potential stakeholders include:

vii. *Government:* the DRC has a statutory requirement for profit-sharing with the national Government, representing a negotiated proportion of net profit.

viii. *Project developer:* this is the developer's primary source of profit (gross), providing for international overhead, their return on investment and for servicing any pre-financing received for project development. The proportion of net profit accrued to the developer ultimately depends on the other elements negotiated above, especially revenue-share and statutory profit-share.

ix. *Community (optional):* can be included under this bucket (although revenue-share remains the most important benefit share for communities), to ensure all key stakeholders' interests are aligned toward implementing an efficient venture that can deliver net profit.

E. **Delivery of community revenue-share:** A **Local Development Fund** (FDL) should be established to provide a mechanism for channeling the revenue-share allocation to the community to implement the self-determined activities obtained from the SBIA Community Workshops. It could also be used to channel finances allotted for the realization of infrastructure and socio-economic activities under the Social Clause, as well as profit-share allocation, where applicable.

F. A **Local Development Committee** (CLD)23, or committees where appropriate, should be formed during FPIC as the communities' 'negotiation committee(s)'. The CLD then also formulates Local Development Plans that guide project activity execution from the SBIA Workshops and in the Social Clause, financed through the FDL.

1. *Community benefit distribution mechanism*: for community self-determination, community revenue-share allocation should be managed by the communities themselves through the CLD, and used to finance priority actions, as determined by community representatives, during the SBIA Community Workshops24

2. *Transparency and downward accountability*: apart from the legal stipulations for formation of the CLD and FDL, the community should be allowed to determine for themselves any additional local structures or institutions they require to distribute

[22] Profits should be shared after deducting levied income tax; this can sometimes be waived by the Government for REDD+ projects.

[23] The CLD will be formed at the appropriate level as determined by project-specific circumstances and guided by DRC Law, to ensure sufficient and meaningful community engagement and representation, transparency and downward accountability.

[24] The CLD are the core participants (as representatives for the various community groups) to the SBIA (Social and Biodiversity Impact Assessment) Community Workshops that help define community livelihood improvement activities, to be funded by the community revenue-share allocation through the FDL.

and manage funds. The Government and project developer should only recommend or provide opportunities for the community to learn about finance and project management, as well as governance of local institutions, besides providing oversight through the legally required oversight committees such as the CLS

3. *Review and adaptability*: the benefit sharing mechanism and allocations recommended above represent adaptable plans that are likely to evolve over the lifetime of a REDD+ project, as laws change and communities' benefit management capacity grows. Thus, adaptive management principles should be included in the benefit sharing plan, ideally with designated timeframes, revision processes and consent-seeking from the community. This is to maintain high levels of fairness (especially to communities) and stability (especially for developers and investors).

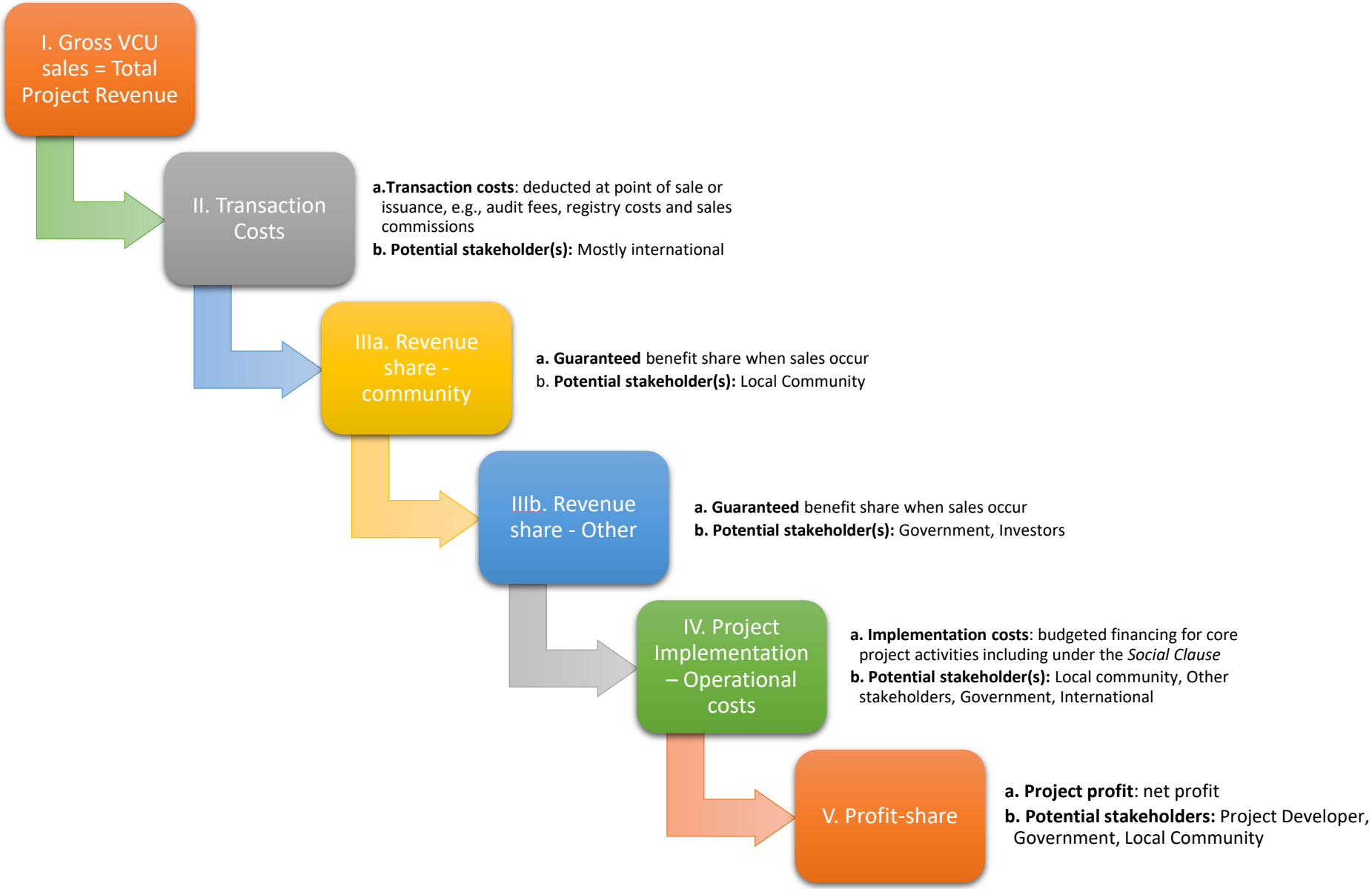


Figure 3: Proposed benefit-sharing waterfall with stakeholders for each category (see Glossary, Annex 2a & 2b for a detailed description of stakeholders and buckets)

Section 5: Best practices for community project implementation & social and biodiversity MRV

In this section, the best practices guidelines are organized into two parts: *First Principles* present general best practice implementation and social and biodiversity MRV principles as recommended from international good practice and lessons learned from the DRC and elsewhere. To assure highest quality REDD+ credits, *Second Principles* are best practice guidelines that this collaborative group recommends for adoption in the DRC, that subscribe to international good practice, while remaining realistic and practicable for implementation in the DRC context.

Project Implementation & Social and Biodiversity MRV *First principles*: Key lessons and general good practice.

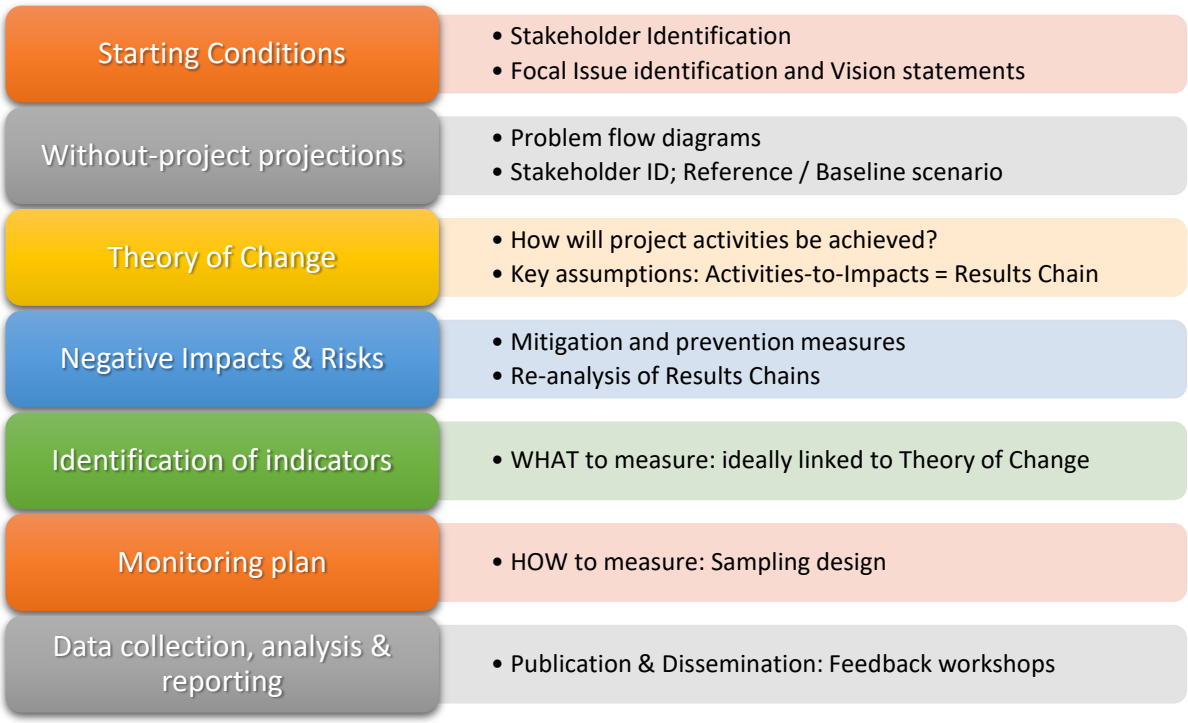
A. **Net-positive impacts:** All REDD+ projects should at a minimum strive to achieve net-positive impacts for local communities and biodiversity that are real, additional, and attributable.

B. **Demonstrating impact:** Projects should implement a process that enables compelling arguments for claimed or expected net-positive impacts, including a description of measurement indicators, and demonstrated with evidence from a clear monitoring program.

C. **Theory of change:** Projects should undertake the highly recommended theory of change process. This should be based on key assumptions about the cause-and-effect relationships that generate expected impacts and enable indicator development for monitoring these assumptions in a causal chain analysis.

The seven key steps in the theory of change process are described in Fig. 4 below:

Figure 4: Seven-step SBIA process.

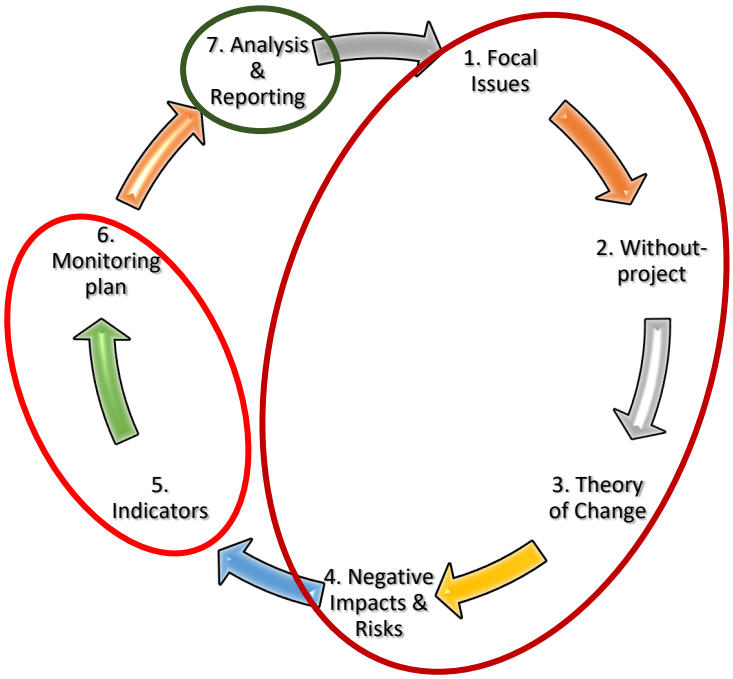


Project Implementation & Social and Biodiversity MRV *Second principles*: Best practices and market perception.

A. Theory of change process.

1. Undertake **SBIA community workshop(s) during FPIC** with elected community representatives (e.g., CLD members). These workshops are primarily for undertaking Stages 1 to 4 of the theory of change process, covering the description of starting conditions and identification of focal issues. Both without-project and with- project projections should be performed, as well as a risk and negative-impacts analysis. In addition, the community workshop undertakes part of Stage 5 in the identification of community indicators.

Figure 5: Recommended SBIA implementation process



2. After the workshop(s), the project **proponent completes Stages 5, 6 and 7** to finalize the indicator identification process, design a credible monitoring system and collect the data, then report and disseminate.

B. Broader alignment and reporting.

1. National MRV system including nesting: to the extent possible, projects should align their social and biodiversity MRV systems or processes with subnational and national MRV systems, especially as nested programs evolve. For ease of reporting at the national level, they should also be consistent with the national safeguards' accounting definitions and frameworks.

2. International UN Sustainable Development Goals (SDG) reporting: as the voluntary market grows, investors or buyers may increasingly prefer project activity metrics aligned with their reporting needs, especially around SDGs. Projects should bear this in mind when developing MRV programs, to match the broadest potential spectrum of investor or client needs.

C. Strategic direction and integrated planning.

1. The SBIA focal issues and proposed project activities guide the CLDs when making spending decisions for REDD+ revenue allocated to the communities. This should be a crucial point of discussion during benefit sharing negotiations, and ultimately should be captured in subsequent REDD+ project Agreement(s) with the communities.
2. SBIA workshop outcomes should also be incorporated into additional benefit sharing agreements, including the Cahier des Charges where applicable, providing the link between legally stipulated activities and community-determined project goals, action plans and monitoring programs
3. To retain relevance and realism SBIA workshops should be held at least biennially to provide the communities with an opportunity to take stock, revisit focal issues and revise or change proposed activities as project implementation continues.

Section 6: Guidance on working effectively to register a REDD+ project in the DRC

There are 3 main land status categories for which REDD+ Projects may be registered in the DRC, all of which apply to the DRC REDD+ Project Developer group currently operating, or prospective future endeavors:

1. Conservation concession
2. Community forest concession(s)
3. Protected area

While the group acknowledges the potential for additional unexplored legal pathways for REDD+ Project registration in the DRC, the abovementioned categories represent the vast majority of current and future DRC REDD+ Project initiatives. We therefore present best practice registration process for those three primary categories as follows:

Registering a REDD+ project on a Conservation Concession

The legal requirements for acquiring a Conservation Concession or a Local Community Concession in the DRC are governed by rules and regulations established by the Ministry of the Environment and Sustainable Development (MEDD) under **Decret n° 011/27 du 20 mai 2011**. The National REDD+ Coordination (CN-REDD) provides guidance on the acquisition of forest conservation concessions and the subsequent procedures for REDD+ project homologation, which is defined under **Arrêté Ministériel No. 047 /CAB/MIN/EDD/AAN/MML/05/2018**.

The process for REDD+ project developers to follow for the establishment and implementation of a new REDD+ project is summarized as follows:

A. Identify and delineate a project area: This area cannot exceed 300,000 hectares unless the project is approved by the President (for an area < 400,000 ha) or by the Parliament (for an area > 400,000 ha) This process is usually conducted in collaboration with DIAF (Direction des Inventaires et d'Amenagement Forestiers).

B. Obtain a certificate from the Provincial Coordinator from MEDD indicating that the proposed area is vacant.

C. Introduce a formal demand for a Conservation Concession in the above-identified area at MEDD. This also necessitates the project developer to:

    1. Evaluate the value of the forested land;
    2. Discuss a minimum price with the Secretary General from MEDD;
    3. Make a financial offer for the forest concession and
    4. Obtain permission from MEDD to conduct the FPIC process.

D. Conduct an FPIC process at the local level to ensure community members consent freely to the project. This step is conducted in accordance with the Ministerial Decree on FPIC and in collaboration with local government and MEDD (as described above).

E. Discuss and sign a Cahier de Charges agreement with local community members and get approval from local MEDD representatives. This agreement becomes part of the concession contract to be signed with the Minister of MEDD.

F. Obtain a concession contract signature at MEDD.

G. Establish with CN-REDD the details of REDD+ project implementation inside the concession:

    1. Discuss the benefit sharing mechanism with the Minister of MEDD;
    2. Register the REDD+ project with CN-REDD;

H. Obtain a Homologation Certificate from MEDD.

Registering a project on one or more local community forest concessions

The rules for allocation of forest concessions to local communities is covered under **Decret n° 014/18 du 02 Aout 2014**. While **Article 18** indicates that individual community forestry concessions cannot exceed 50,000 ha, **Article 21** states that two or more concessions can be combined for the purposes of forming a project.

The registration process for local community forest concession(s) is similar to registration of a project on a conservation concession as described above, except:

A. Skip Steps A-C mentioned above.

B. Sign an agreement with local community members for exploitation of their concessions, which are awarded by the Provincial Governor.

C. Conduct the process described above from steps D through H.

Registering a project on protected Lands

Regarding REDD+ projects in protected areas, the project developer must firstly distinguish between national protected areas and provincial protected areas.

A. National Protected areas: the project developer should enter into a public-private agreement with the Congolese Institute for Nature Conservation (ICCN) that delegates the protected area management to the REDD+ project developer;

B. Provincial, or other decentralized protected areas: the project developer enters into a public-private agreement with the provincial or decentralized entity in charge of the protected area that delegates management to the REDD+ project developer.

C. Conduct an FPIC process at the local level to ensure community members consent freely to the project. This step is conducted in accordance with the Ministerial Decree on FPIC and in collaboration with local government and MEDD (as described above).

D. Discuss and sign a Cahier de Charges agreement with local community members and get approval from local MEDD representatives.

E. Sign a Carbon Right Agreement with the legal authority.

F. Establish with CN-REDD the details of REDD+ project implementation inside the concession:

    1. Discuss the benefit sharing mechanism with the Minister of MEDD;

    2. Register the REDD+ project with CN-REDD;

    3. Obtain a Homologation Certificate from MEDD.

Conclusion

A collaborative framework for best-in-class private sector REDD+ development was co-authored by the group of project practitioners and civil society with deep knowledge of REDD+ Project development. The practical guidelines presented herein establish a high-level standard to which DRC REDD+ Project developers and investors can at a minimum adhere to, enabling purposeful, consistent and responsible project development practices. Principles have been established against which existing and future projects can be compared, promoting clarity, fairness and stability. This guidance document will in turn serve as an input to an association of DRC project practitioners, whose members wish to voluntarily adhere to the highest quality REDD+ project standards in the DRC. Through the development of this best-practice framework and the forthcoming association, the group aims to continue to help build the DRC's reputation as one of the world's most important destinations for REDD+ investment.

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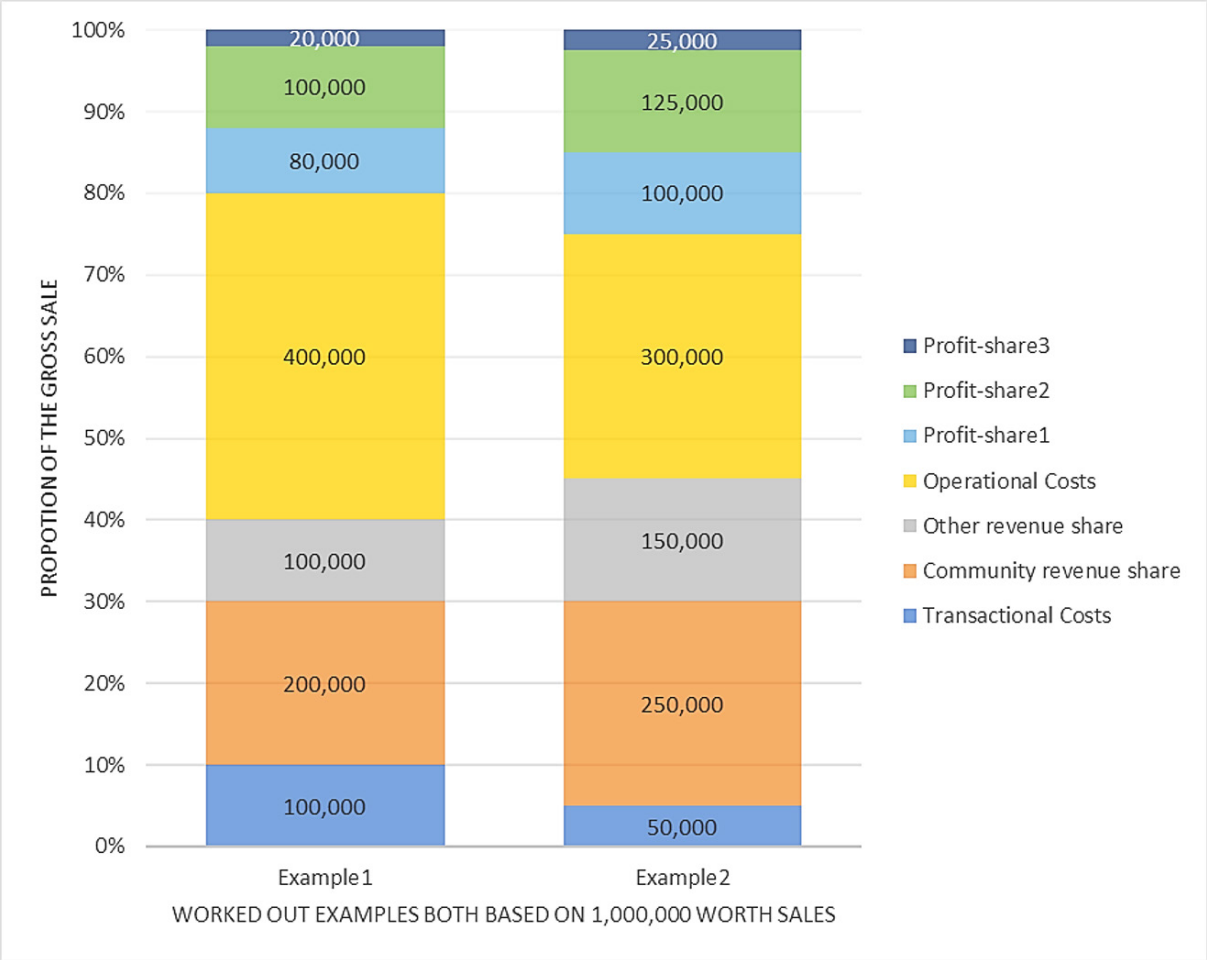
Annexes

Annex 1: Worked out illustrations of the proposed allocations for the five buckets in the waterfall.

Waterfall #	Bucket	Category	Stakeholder/sub-category	Proposed Range	Example1	Example2	Worked-out Example1	Worked-out Example2
1	Gross Sales				100%	100%	1,000,000	1,000,000
2	Transactional Costs	Out-of-country	International	5-20%	10%	5%	100,000	50,000
3a	Revenue share - Community	In-country	Local community	15-25%	20%	25%	200,000	250,000
3b	Revenue share - Other	Both[¥]	Government, Investor[β]	5-15%	10%	15%	100,000	150,000
4	Implementation or Operational Costs	Mostly in-country	Community (local or non-local), Government, International	25-50%	40%	30%	400,000	300,000
5a	Profit-share1	In-country	Government	5-15%	8%	10%	80,000	100,000
5b	Profit-share2	Both[¥]	Project developer	7-20%	10%	12.5%	100,000	125,000
5c	Profit-share3	In-country	Community[μ]	0-5%	2%	2.5%	20,000	25,000
	TOTAL				**100%**	**100%**	**1,000,000**	**1,000,000**

¥ Both in and out of country.
β Optional: depends on the investor requirements.
μ Optional: might be zero as this should be balanced with the level of revenue-share negotiated by the communities.

Figure 6: Worked out examples of the proposed allocation proportions following the categories described in the waterfall.



Annex 2: Glossary

2a. Stakeholders

Box 1: Stakeholders' definitions and description

In this document, the group considers the following five major categories of stakeholders in the DRC context:

1. **In-country, local community**: the local community or jurisdiction where the project is located, as defined by national law or customary rules[¥]. In some situations, this category also represents landowners[β]
2. **In-country, other stakeholders:** other stakeholders or communities that provide some form of support to the project within the country, but are not considered members of the local community where the project is located.
3. **In-country, Government:** all levels of Government interests from the national to provincial to local or territorial levels (e.g., Chiefs and local administrators). They are the primary landowners in the DRC.
4. **Project developer:** responsible for project development and execution, this could be a private entity, a consortium of partners, or a private-public partnership, and could be local (in-country), international or a combination of the two.
    a. **Investors** are included in this stakeholder group as they are engaged by, and predominantly deal with, the project developer as a means of supporting project actualization and delivery.
5. **International:** all other key stakeholders involved in delivery of the project including issuance and sale of VCUs, including auditors, standards/registry owners, brokerage firms, salespeople and carbon credit customers and/or financial investors.

[¥]*The **socioeconomic survey** that is required under DRC Law as part of the FPIC process is critical for identifying all appropriate local community stakeholder groups and initiating the process of engagement with them, to ensure that they meaningfully participate in the benefit sharing negotiation.*

[β]*The DRC Law requires **participatory mapping**. Mapping of clan-owned forests underpins payment-for-performance calculations which is useful towards negotiations of benefit sharing allocations with local communities. The communities through their clan chiefs or chiefdoms should benefit in a collaboratively agreed way that reflects local custom and national guidelines or legislation.*

2b. Benefit sharing (or cost) buckets

Box 2: Definition of the major benefits buckets

There are three possible ways of thinking about or defining the major benefit sharing buckets, or benefits and cost classes:

1. **Technical:** where the gross revenue from VCU sales can be used to finance three types of key costs associated with REDD+ delivery:
    a. Transaction costs: relate to costs of establishing and operating a REDD+ program, including negotiating any agreements, emission reduction certification, audits and MRV, sales commissions and registry fees.
    b. *Implementation costs*: cover all operational costs for executing project activities, strategies and any other measures needed to reduce deforestation and forest degradation, such as policy reforms, forest and biodiversity protection and improved forest and agriculture management.
    c. *Opportunity costs*: compensate for losses resulting from the foregone benefits that deforestation would have generated for local livelihoods, government or national economy and any other stakeholders.
2. **Geographical**: where the revenues received from gross sales can either remain outside the host country (*international*) or be retained within the host country (*in-country*). For the in-country revenues, they can either accrue to:
    a. *Local communities*: representing the project's designated local communities and community groups.
    b. *Other in-country stakeholders*: where they are used outside of the local area or jurisdiction of the REDD+ project, or
    c. *Government*: where they are allocated to some level of Government, including local, provincial and/or national.
3. **Procedural**: where the revenues from the gross sales can be shared either:
    a. *From the top*: where sales revenues are shared as a proportion of actual revenue (revenue-share).
    b. *Operational*: through spending on operational costs towards implementation of core project activities.
    c. *At the end*: where they are shared through a profit-share after revenue-share, where operational costs have been deducted and a profit has been generated.

Annex 3: Participant Roster

Organization	Organization Category	Core Group Participants
The Nature Conservancy	Conservation NGO	Antoine Eyebe Kevin Juma Ed Hewitt Charlie Langan
Fanfare Verte	Project Development Consultancy	Bart Simmons Frédéric Jacquemont
South Pole Carbon	Project Developer / Consultant	Simon Bolis Christian Danneker
EcoPartners	Project Development Consultancy	Zach Barbane Kyle Holland
Le Groupe de Travail Climat REDD – Rénové (GTCRR) / Le Réseau des Populations Autochtones et Locales pour la Gestion Durable des Ecosystèmes Forestiers (REPALEF RDC)	Civil Society / Indigenous People and Local Community Network	Guy Kajemba
Wildlife Works	Project Developer	Jeremy Freund Mwangi Githiru Simon Bird Jeff Hayward Anna Lehmann
Bonobo Conservation Initiative (BCI)	Project Developer	Sally Coxe Patrick Mehlman John Waugh Doug Cogan
Zamba Consulting	Project Development Consultancy	Jennifer Holland
Congo Emissions Management Corporation (CEMCO)	Project Developer	Brandon Blattner Daniel Blattner Jacques Ipoma
Dian Fossey Gorilla Fund	Wildlife Conservation NGO / Project Developer	Tara Stoinski Yntze van der Hoek Urbain Ngobobo