



Mai-Ndombe financial structure and incentives approach

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Overview of the Mai-Ndombe program

JURISDICTIONAL AREA

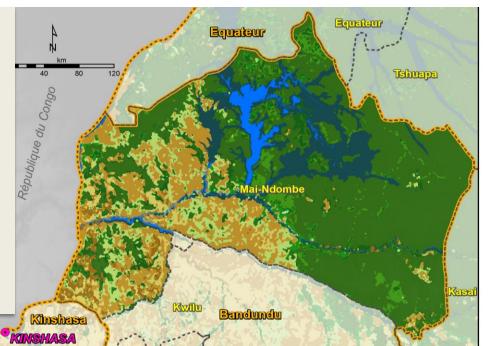
Province of Maï-Ndombe (current district of Plateau and Mai-Ndombe)

75% OF FOREST COVER

- 12.3 million ha in total
- 9.8 million ha of forests

AROUND 1.8 MILLION PEOPLE

ESTIMATED EMISSION REDUCTIONS 29 MtCO₂e in 2016-2020 (to be updated)







PROGRAM GOAL AND APPROACH

- A model for green development at provincial level that provides alternatives to deforestation and rewards performance to mitigate climate change, reduce poverty, manage natural resources sustainably and protect biodiversity.
- A jurisdictional/sub-national REDD+ program, integrated in the national REDD+ framework
- Coherent design aligned with the investments of Forest Investment Program (FIP), Congo Basin Forest Fund (CBFF).
- A balanced combination of enabling activities (strengthening governance, capacity building, local level land-use planning...) and sectorial activities (reduce impact logging, agroforestry, fire management...)

Different source of funds articulated in 1 program

DRC context relative to forest finance and REDD+: No governement budget allocated, lack of loans and bank facilities, lack of financial capacity by most of actors on the ground, many different donors with lack of coordination

- The program strategic framework allow the alignment of various source of funding.
- Each grant or planned investment can be ventilated according to keyactivities defined in the strategy
 - Allow coherency, transparency and attractiveness

Type of funds	Examples	Approx. amount
Grant funding	Forest Investment Program (FIP), USAID, KFW,	65 M\$ USD
Private funding	Logging companies, conservation companies, Refforestation companies,	17 M\$ USD (based on current status of interest)

BIG PICTURE OF FINANCIAL MODEL

UP-FRONT INVESTMENTS

(FIP, ODA ALIGNMENT, PRIVATE INVESTORS,...)

Support communities and local government to improve natural resources management and develop alternatives to deforestation

Enabling activities to improve natural resources governance and implement land management plans

Incentives to respect the land management plan

Sectorial activities to impulse structural change in the rural economy and dependency on forest resources and shifting agriculture Compensate opportunity cost and reinvestment in improved agricultural system and economic alternatives

PAY FOR PERFORMANCE

(FCPF CARBON FUND, GREEN CLIMATE FUND, VOLUNTARY MARKET, ...)

Support privat sector to develop innovative and sustainable solutions

Facilitate access to develop conservation concession model

Accompany forest concessions in reduced impact logging activities

Implement a green charcoal value-chain with local entrepreneurs

Support and improve agroforestry and perennial crops business models

Incentives to maintain and improve sustainable practices

Actors	Activities	Incentives of the program
Forest companies	Reduced impact logging, extend conservation area	Carbon performance-based expost payments
Conservation companies	Conservation area management	Carbon performance-based expost payments
Communities	Agroforestry, improved agriculture, natural regeneration, conservation	Investments + incentives to maintain plantation and respect land management (proxy basis)
Plantation/agroforest ry companies	Agroforestry, plantation	Co-investment (around 50%) partly based on the performance

