Norway and France threaten DRC’s forests

“As the industrial logging sector has been in increasing difficulty over the last few years (...) a sector recovery plan will be proposed.”

- AFD, REDD-DRC Sustainable Forest Management Programme, 2017

Decisive moment for DRC’s forests

An area of rainforest the size of Italy is at risk of being cut down by loggers in the Democratic Republic of Congo (DRC), if the Norwegian government approves a French Development Agency (AFD) proposal to expand industrial logging there starting 2018.

AFD’s programme - called the “Sustainable Forest Management Programme” (PGDF) – could triple the area of DRC allocated to industrial logging concessions to 300,000 km² (or a quarter of the country’s forests) and to increase the amount of timber which is produced by a factor of 15. Furthermore, if adopted, this programme could be responsible for releasing at least 610,000,000 tonnes of CO2, which is almost as much as the international aviation sector emitted in 2015.

Astonishingly, the programme is part of international efforts to combat greenhouse gas emissions by combatting tropical deforestation, entitled “Reduced Emissions from Deforestation and Forest Degradation” (REDD+). This programme would increase the number of trees felled, without contributing to the fight against deforestation, and without contributing to the economic development of the country.

The expansion of the industrial logging in DRC would likely serve to increase the problems of illegality and impunity which are endemic within the industry. Even the AFD recognizes that DRC suffers from “corruption, bad management, insufficient institutional capacity and a low level of governance” in its natural resources sectors, including in forestry. For example, currently 29 of 57 concessions are open to exploitation without management plans. DRC law requires that such concessions must be cancelled and returned to the state, and those responsible face up to two years in jail. However, the Norwegian government, in a letter to Rainforest Foundation UK, indicated that these concessions can continue operating illegally until the end of 2018.

We, civil society organisations, request members of the technical and steering committees of DRC’s Fond National REDD+ (FONAREDD), which include Norway and France, to reject the AFD programme
when they meet on July 18. Furthermore, we call on members of these committees and donors of the Central African Forest Initiative to reject the funding of any projects which supports the industrial logging of the forests of DRC, and of the Congo Basin.

**CAFI, REDD and forest protection**

The French programme for DRC’s forests is part of a process that began in September 2015 when the Central African Forest Initiative (CAFI) was established in New York during the UN General Assembly.

CAFI is an initiative of the Norwegian Ministry for Climate and Forests, in collaboration with other donors. Other members include Germany, South Korea, France, the European Union, the Netherlands and the United Kingdom. So far, only Norway and France are financially contributing to the programme, with USD 190 million from Norway’s International Climate and Forest Initiative, and France with USD 3 million.

CAFI’s objective is to finance and support the REDD+ process in Central Africa, particularly in DRC. The AFD programme claims to address the REDD+ objectives of improving the governance and legality of the country’s forestry sector. It is scheduled for consideration by a technical committee on 17 July 2017. A second committee (the steering committee) remains responsible for the final approval, and will meet thereafter.

CAFI members have the responsibility to ensure that the funds are allocated to programmes that result in a reduction in greenhouse gas emissions and contribute to combating deforestation in DRC.

**Summary of the French programme to protect DRC’s forests**

Below are the main points of the AFD’s programme for DRC’s forests, with a total budget of USD 18 million. It should be kept in mind that this is part of a programme to supposedly reduce the greenhouse gas emissions resulting from deforestation and forest degradation in DRC. The programme’s objectives include:

- Support the development of a participative forest policy.
- Support for the DRC government to lift the moratorium on the allocation of logging concessions, in place since 2002.
- Support for the DRC government in the allocation of new logging concessions.
- A doubling or tripling of the area under concession, and increasing by a factor of three to fifteen the amount of timber harvested.
- Reform the forest sector’s tax system.
- The development and implementation of a “rescue plan” for DRC’s industrial logging sector, through an audit of logging companies and market studies.
- Support for logging companies in meeting their legal obligations, particularly towards local communities.
- Financing of industrial logging companies in DRC.

**Controversial points of the AFD programme**
The most striking element is the lack of justification for such a programme, and the lack of prior impact studies on the environmental and social consequences of expanding the industrial logging sector.21

We note below the weak points of the AFD’s programme.

- **AFD’s programme will increase greenhouse gases**

The AFD programme anticipates increasing the industrial extraction of timber from the DRC, and potentially adding as much as 200,000 km² of logging concessions. This would cause 610,000,000 tonnes of CO2 emissions, almost as much as the international aviation sector released in 2015.22 New concessions would also potentially cover the recently discovered peat swamp storing an estimated 2.8 billion tonnes of carbon, equating to approximately 10.4 billion tonnes of potential CO2 emissions, should the peat swamps become heavily degraded or destroyed entirely.23

- **The moratorium on allocations of new logging concessions must not be lifted**

DRC adopted a moratorium on allocating new industrial logging concessions in 2002. The aim was to enable the country, emerging from a civil war, to develop a sustainable logging industry capable, in particular, of creating jobs and generating tax revenues for the country.

And yet despite 15 years of so-called reform of the forestry sector and tens of millions of dollars in financial aid, industrial logging is still not under control in DRC.24 An investigation published in 2015 considers that almost the entirety of industrially logged timber produced in DRC should be considered as of high risk of illegality.25

Violations of the moratorium on the allocation of logging concessions are particularly representative of the state of forest governance in DRC.26 Amongst other examples, we would like to highlight the following:

- A complete failure of logging companies to pay any forest taxes in 2016, according to data from DRC’s Ministry of Finance. Assuming this information is correct, according to DRC law the non-payment of taxes and fees linked to forest exploitation is a justification for the State to cancel the concession contract, with the forests supposed to be returned to the State’s private domain.27

- In June 2017, more than half (29 out of 57) of the logging concessions in DRC did not have a management plan more than five years after signing the forest concession contract (CCF). A concession with no validated management plan five years after it was signed must be considered cancelled and returned to the State.28

- The illegal allocation of concessions exposed by Greenpeace in July 2016 and February 2017 which are a clear breach of the Letter of Intent that CAFI signed with the DRC government. The breaches indicate clearly how impunity is tolerated by CAFI. The CAFI EB requested the DRC government that:29
  a. Illegally awarded concessions are immediately cancelled and these decisions are published;
  b. The Government of DRC shares a robust action plan which details the appropriate measures taken to address and prevent the lack of compliance with the legal framework in the forestry sector;
c. The Government of DRC identifies and implements sound internal oversight measures to prevent any future breach of the moratorium before a new legal framework to rule the forestry sector has been endorsed at the national level.

- On the 3rd July 2017, five illegal concessions were cancelled by the DRC government, which was immediately welcomed by CAFI and seen as a fulfilment of the first precondition detailed in the paragraph above. The cancellation of these five concessions reveals that more illegal concessions were allocated than the two that were revealed by Greenpeace. The assurances that there will be no further infractions of the moratorium are therefore not credible until the conditions demanded by the CAFI board, detailed above, are met.

Moreover, the recent history of the forestry sector in DRC shows that there is no transparency in the allocation of logging concessions, and that these have generated no benefits either for state coffers or for local communities. Given the current political climate in the country, along with the lack of effective governance in DRC, lifting the moratorium would represent a clear threat to the forests and their inhabitants.

Finally, in March 2017, the French company Cerene Services signed a REDD contract worth Euro 10 million with the then DRC minister of environment, Athys Kabongo, to map 1.5 million hectares of the country’s rainforest. It is still unknown whether the contract – still unpublished – was signed following a public tender. The source of the funding is still unknown. The allocation of the contract to a French company is another example of the way in which the DRC Minister of Environment approves forest-sector contracts, with strong implications.

- Industrial logging is a driver of deforestation in DRC

Vast areas of tropical forest still remain in DRC, this on a continent that has suffered the highest rate of deforestation since 1990. And yet DRC’s forests are increasingly under threat; the country lost an average of 5,700 km² of forest every year between 2000 and 2014 (80,000 km² over the whole period, or an area the size of Ireland). Moreover, the rate of deforestation more than doubled between 2010 and 2014.

Despite the AFD’s statements to the contrary, the industrial exploitation of forests is clearly a driver of deforestation in DRC, a fact recognized by the call to tender for this programme. Any intensification of the sector’s activity, as proposed by this programme, will thus inevitably contribute to destroying the world’s second largest tropical forest.

The AFD programme ignores the harmful environmental consequences of industrial logging, including its so-called selective or sustainable form, which irreversibly compromises the ecological integrity of these forests, including their flora and fauna. Provinces that are home to significant environmental wealth will be particularly affected: Mai-Ndombe, Equateur, Tshopo and Ituri, where the project will be focused.

For example, according to recent studies, industrial logging is responsible for 75% of the destruction of DRC’s intact forests, and according to a study published in January 2017, 60% of primates, among other animals, are threatened by the logging industry.

- Industrial logging is not contributing to DRC’s economic development
In contrast to the AFD’s claims in its programme document, the contribution that industrial logging makes to DRC’s economic development has been - and continues to be - virtually zero. According to a report co-written by the World Bank:

“Industrial timber production has a poor track record in Africa. Over the past sixty years, there is little evidence that it has lifted rural populations out of poverty or contributed in other meaningful and sustainable ways to local and national development.”

Moreover, this sector’s contribution to job creation, and to GDP, is negligible. In addition, this economic activity generated less than USD 2 million for the state’s coffers in 2016, or less than 2 cents per Congolese national. And yet the AFD proposes reviewing the tax burden on logging companies.

Far from being a factor of economic development, the sector is in such a poor state that the AFD considers a “rescue strategy” to be necessary. It is worth remembering that this strategy includes providing financial support directly to companies, and will be financed by international donors.

Millions of people currently depend on these forests and their resources for their survival and cultural activities, and their wellbeing is threatened by the industrial exploitation of timber. Visits to the forest concessions from Global Witness, Greenpeace and Congolese civil society indicate that the communities living there have had more difficulties in obtaining protein from hunting, caterpillar gathering, and even fishing, since logging commenced.

- *The programme does not sufficiently address problems related to artisanal forest exploitation:*

Artisanal forest exploitation is currently one of the most worrying causes of deforestation in DRC. While this does not necessarily represent unlawful exploitation, the logging permits are issued haphazardly and there are no controls over actual exploitation. The AFD programme proposes addressing this situation by convincing artisanal operators to gradually be incorporated into a formal framework.

This partnership would consist of USD 7 million for the creation of forest clusters for meetings between artisanal and industrial loggers, timber traders and transporters, and to provide financing and subsiding to artisanal loggers. We consider this to be an excessively risky strategy. The AFD can in no way guarantee that artisanal operators will play the game and agree to be governed by restrictive socio-environmental rules. As the AFD emphasises, artisanal logging is “very difficult to grasp” as it “operates very largely in the informal sector” - not to mention the very poor sector governance and weaknesses in administrative control.

But this “win-win” partnership raises a question of principle above all else. The signatory organisations to this note consider that the approach proposed by AFD runs counter to the fundamental principle of REDD+, which is to reward efforts to maintain forest cover - not subsidise its destruction.

**The AFD is ignoring the rights of local communities**
In the context of forest governance and development policies, the Congolese government made a commitment to community forestry in the 2000s. In DRC, a local community can now obtain a Local Community Forest Concession (CFCL), free and in perpetuity, for all or part of the forests it customarily owns.\textsuperscript{50}

In contrast, the AFD is proposing a model contrary to these advances in Congolese law: that of Forest Concessions for Decentralised Territorial Entities (ETD).\textsuperscript{51} Instead of the CFCLs - which place decision-making power over forest management in the hands of the community itself – the AFD prefers to rely on the concept of ETDs, which would make political/administrative entities the main forest managers.

The Ministry of the Environment recently produced a draft National Strategy accompanied by an Experimentation Plan to enable the gradual and supervised roll-out of CFCLs across the whole country. The signatory organisations to this document are of the opinion that priority should now be given to supporting the Congolese state in this CFCL pilot phase.

Finally, it is particularly worrying that the AFD, in a programme geared to reduce GHG emissions, reduces community forestry to wood harvesting, while the regulatory framework invites communities to develop different usages, such as the production of non-timber forest products, conservation, or payments for environmental services. However the AFD, which does not have any experience in this area, proposes to accompany local communities, and to revise the forest code and contribute to the development of a national forest policy, while neglecting the most developed tool which proposes to secure the rights of local communities.

**Recommendations:**

- AFD’s Sustainable Forest Management Programme, version 30-06-2017, must be rejected.
- CAFI funding as well as any other REDD+ programme should not, under any circumstances, support the industrial logging of forests, a driver of deforestation and contributor to greenhouse gas emissions.

**The Congolese environmental civil society organisations recommend that the CAFI finances support programmes focusing on:**

- The moratorium on the allocation of logging concessions must be maintained until the legal conditions for its lifting are met, and the conditions which are fulfilled independently evaluated.
- Technical and financial support to the phased and experimental process of community forests, including to the development of a national strategy in the process of completion by the Congolese Ministry of Environment;
- The implementation of a national and participative forest zoning which would result in land use planning;
- The installation of an effective and independent system of forest monitoring;
- The capacity building of forest administration at national, provincial and local level;
- Taking into account the basic indicators of FONAREDD programmes;\textsuperscript{52}
- Putting into place programmes in coherence with the DRC’s Intended Nationally Determined Contributions (INDCs).

\textsuperscript{1} AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 30-06-2017, p. 36.
2 AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 30-06-2017, p. 44.
3 Termes de référence provisoire d’une étude : Dynamisation et Formalisation du Secteur Forestier de la RDC : Situation actuelle, Analyse Economique et Perspectives. AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 27-03-2017, Annexe 6, p. 144. To note this annex was removed from the revised version of this programme (30-06-2017), even though the activities it references appear on pages 28 and 36

5,183,827 de tonnes de CO2 ont été émis pour 170,000 hectares de concessions.
6 AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 30-06-2017, p. 100.
11 Donors strengthen support to Central Africa’s forests, CAFI Secretariat, 16 November 2016.
12 Termes de Références pour l’Appel à Manifestation d’Intérêt n°04, Sustainable Forest Management Programme, p.3.
13 Of the 18 million, 12 million will come from CAFI funds, 4 million from AFD, 1 million from the AGEDUFOR programme, and 1 million from the French Global Environment Fund (FFEM). AFD, REDD-DRC Sustainable Forest Management Programme, 2017, p.l.
15 AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 30-06-2017, p. 41.
16 Termes de référence provisoire d’une étude : Dynamisation et Formalisation du Secteur Forestier de la RDC : Situation actuelle, Analyse Economique et Perspectives. AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 27-03-2017, Annexe 6, p. 144. To note this annex was removed from the revised version of this programme (30-06-2017), even though the activities it references appear on pages 28 and 36.
17 AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 30-06-2017, p. 16.
18 AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 30-06-2017, pp. 69, 104.
21 It should also be recalled that AFD has already been financing a forestry programme in the DRC for several years - AGEDUFOR - but that an evaluation of the outcomes of the first phase of this programme has never been published, despite repeated demands from environmental civil society organisations.
5,183,827 de tonnes de CO2 was released for 170,000 hectares of concessions. Compare figure with: http://www.atag.org/facts-and-figures.html
23 Logging in Congo’s Rainforests: A “Carbon Bomb” About to be Primed by the Government of Norway?, Rainforest Foundation UK, 2017. See also:
24 Termes de référence provisoire d’une étude : Dynamisation et Formalisation du Secteur Forestier de la RDC : Situation actuelle, Analyse Economique et Perspectives. AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 27-03-2017, Annexe 6, p. 140. To note this annex was removed from the revised version of this programme (30-06-2017), even though the activities it references appear on pages 28 and 36
26 La RDC reçoit des millions pour sauver la forêt, alors qu’elle attribue des concessions illégales, Greenpeace, 2 février 2017.
28 See: Note technique à l’attention de son excellence Monsieur le Premier Ministre, Chef du Gouvernement. Re: Clôture du processus de conversion des anciens Titres forestiers en contrats de concession forestière [Technical note to the Prime Minister of the process to convert former forest titles into forest concession contracts], Number 2056/CAB/MIN/ECN-T/05/11/NM/2014. Ministry for the Environment, Nature Conservation and Tourism. Kinshasa, 26 August 2014 and Etat d’avancement du processus d’aménagement des titres forestiers en Janvier 2017 [Progress in the forest title development process, January 2017], AGEDUFOR, Government of the DRC and AFD. See also Ministerial Order
No. 028/CAB/MIN/ECN-T/15/JEB/08 of 7 August 2008 setting the model contracts for logging concessions and the related terms and conditions.

29. CAFI Executive Board Decision EB.2017.02, 7 February 2017.
30. Arrêté Ministériel n.006/CAB/MIN/EDD/ANN/RBR/06/2017
32. Implementation Completion and Results Report to DRC for a Forest and Nature Conservation Project, World Bank, 9 December 2015.
34. According to the World Bank, sub-Saharan Africa’s forests have decreased in area by 11.9 percent since 1990.
37. Synthèse des études sur les causes de la déforestation et de la dégradation des forêts en République Démocratique du Congo [Summary of studies on the causes of deforestation and forest degradation in the Democratic Republic of Congo]. UNREDD+, FAO, UNDP, UNEP. 2012. It should be noted that this study has been cited by AFD to claim that industrial logging is not a driver of deforestation in the DRC, when actually it indicates the reverse. “Qualitative studies show industrial logging to be a relatively significant cause in 4 provinces (Equateur, Bandundu, Orientale and Bas-Congo)”, which is where all the country’s logging concessions are located. Moreover, “some of the main causes of deforestation can be directly linked to (...) industrial logging,” pp. 3 and 25.
42. According to AFD, the DRC’s industrial logging sector directly employs around 4,500 people, and this economic activity generates less than 1% of the country’s GDP. Termes de référence provisoire d’une étude : Dynamisation et Formalisation du Secteur Forestier de la RDC : Situation actuelle, Analyse Economique et Perspectives. AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 27-09-2017, Annexe 6, p. 133 and 142. To note this annex was removed from the revised version of this programme (30-06-2017), even though the activities it references appear on pages 28 and 36.
43. Official Communiqués Number 3 of 26 June 2016, Number 4 of 3 September 2016, Number 6 of 9 November 2016, and Number 1 of 31 March 2017, Ministry of Finances of the DRC.
44. AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 30-06-2017, p. 16.
47. Managing a valuable resource: Policy notes on increasing the sustainability of the DRC’s forest production. World Bank, 2015.
49. AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, version 30-06-2017, p. 102.
51. AFD, Programme de Gestion Durable des Forêts de la REDD+ RDC, 2017, pp. 52-56
52. Secrétariat Exécutif du FONAREDD : Les indicateurs de base des programmes du FONAREDD.