



THE LETTER OF INTENT WITH CAFI

The “Letter of Intent” (LOI) between the Government of the Democratic Republic of the Congo and CAFI is the first one that CAFI concluded with one of its partner countries.

⦿ High-level engagement

The LOI establishes a “cooperative partnership for the implementation of the DRC’s National REDD+ Framework Strategy and REDD+ Investment Plan over the 2016-2020 period”, and respective commitments. The LOI is signed by the DRC’s Minister of Finance, in charge of inter sectoral coordination and the supervision of the implementation of the Economic Governance Matrix (Box1); and, for CAFI, by Norway’s Minister of Climate and the Environment and the Multi Partner Trust Fund Office.

⦿ Ambitious policy objectives for a comprehensive response to drivers

The DRC and CAFI share the ambition of stabilizing forest cover and promoting sustainable development, and have set respective engagements to implement the REDD+ Investment Plan, through the LOI, emphasizing participation and transparency. Eight policy objectives, broken down into 47 milestones, cover all sectors:

- An **agricultural policy** that contributes to rural development and national food security while limiting the current and future impact on forests - 66.4 million US\$
- An **energy policy** of sustainable management of wood energy and partial substitute to the latter - 28 million US\$
- A **forest policy** for sustainable management of forest resources by multiple stakeholders in the sector, including local and indigenous communities, with particular emphasis on forest law enforcement, governance and various local and community management models. DRC commits to strengthen oversight capacity in existing forest exploitation areas, and in areas where potential new concessions will be attributed, in order to apply the forest law - 29.6 million US\$
- **REDD+ standards for mining and oil investments** in forest areas in order to prevent, reduce and otherwise offset their impacts on forests - 4.8 million US\$



- A **land-use policy** that organizes and optimizes the use of land and forest resources by the various national economic sectors, in respect of rights recognized in the DRC legal system, to reduce its impact thereof on forests, reduce conflicts and ensure sustainable development at national and local level - 21.6 million US\$
- A **land-tenure policy** that is equitable, including with regard to gender, vulnerable people, local communities and indigenous peoples, and that could ensure sustainable and non-confrontational management of land and clarification of tenure rights, with the goal of limiting the conversion of forest lands - 21.6 million US\$
- Participatory implementation of the 2014-2020 National Multi-sector Strategic Plan on **Family Planning** – 12 million US\$
- **Alignment of interventions** in the country by the national public sector and the national and international private sector on REDD+ objectives; ensure **transparency** and consolidation of information as well as **law enforcement** in sectors relevant to REDD+ – 26.4 million US\$

🔗 Funding at scale conditioned on results

CAFI pledges a financial commitment of 200 million US\$, including 190 through the FONAREDD, in two tranches (120 and 70 million US\$). The second tranche is conditioned to reaching intermediary milestones that will be independently evaluated in 2018.

Box 1: The DRC Economic Governance Matrix

In 2010, as part of the Initiative for Heavily Indebted Countries and the Multilateral Debt Relief Initiative, the DRC, in partnership with the World Bank and the IMF, defined measures aiming at improving the management of public finances based on the use of natural resources. These measures are part of an “Economic Governance Matrix”, a key tool for the government to monitor reforms in all key sectors. A ministerial meeting takes place every trimester with heads of agencies to monitor progress. In 2013, the Prime Minister agreed to include REDD+ measures, on land use planning, tenure reform and the adoption of REDD+ standards for mining and hydrocarbons. Following the signature of the LOI, the Minister of Finance has indicated willingness to establish a mechanism for monitoring the LOI milestones, on the model of the Governance Matrix.

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