



Letter of Intent
to Establish the Partnership
between the Government of the Gabonese Republic (Gabon)
and the Central African Forest Initiative (CAFI)
to implement the National Investment Framework of Gabon

PREAMBLE AND CONTEXT

Considering:

- The role that the Congo Basin's tropical forests and, more particularly, the Gabonese forests play in storing carbon, harbouring biodiversity, regulating rainfall and mitigating climate change at the national, regional and global level, while providing livelihoods;
- The Sustainable Development Goals of the United Nations, to which all members of this partnership have adhered;
- The gravity of the threat of climate change, one of the greatest challenges the planet is facing today, and yet one that also represents a unique opportunity for the emergence of a path to sustainable development through international cooperation;
- The Paris Agreement, the United Nations Framework Convention on Climate Change and relevant decisions of the Conference of the Parties, to which all members of this partnership have adhered;
- Gabon's challenge to sustain economic growth and become an emerging economy through sustainable policies and actions, while contributing to global climate efforts;
- the Amsterdam Declaration "Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries" whose signatories declare themselves supportive of private and public initiatives to halt deforestation by no later than 2020 in relation to agricultural commodity trade.

Recognizing:

- The major progress Gabon has made since the Rio Conference in 1992 to develop a sustainable development policy:
 - 1993: Adoption of the Law on the Environment;
 - 2000: Adoption of the national environmental action plan;
 - 2001: Adoption of a Forest Code, requiring logging companies to develop sustainable management plans for forest concessions;
 - 2007: Establishment of 13 national parks covering 11% of the land area (including Lopé National Park which features on UNESCO's World Heritage List), expanding the protected areas network to 21% of Gabon's terrestrial ecosystems;
 - 2010: Establishment of the National Climate Council under the President's authority;
 - 2011: Establishment of the Gabonese Space Agency;
 - 2012: Publication of the Strategic Plan on Emerging Gabon (aiming to turn Gabon into an emerging economy by 2025) and its sub plan 'Green Gabon', with a considerable focus on climate and environment (including a national climate plan and a program to develop a national land use plan (NLUP));
 - 2014: Adoption of the General Law on Sustainable Development;
- The emission reductions committed as part of the Intended Nationally Determined Contribution (INDC) of Gabon, submitted to UNFCCC in 2015;
- The stated willingness of Gabon to implement its National Investment Framework with its two main components:

- A land use planning process by which the Government establishes and disseminates its policy orientation in terms of rational use of state land and resources. The role of the NLUP is to assign a land use category to each area of the territory that corresponds to one or several activities, with the objectives of optimizing the resources of the territory, of minimizing conflicts related to incompatible uses, and of optimizing opportunities with regard to multiple and compatible uses. This planning process, which will lead towards a national land use plan adopted by the Parliament, will enable Gabon to direct agricultural development towards areas with the lowest carbon stock and conservation value.
- The establishment of a robust national forest and natural resources monitoring system to ensure monitoring of the implementation of the national land use plan and achievement of emission reductions.

Recalling:

- The need to actively promote the establishment of international partnerships to support the achievement of ambitious objectives of the Paris Agreement to keep "*the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels,*"¹ and to "*take action to conserve and enhance, as appropriate, sinks and reservoirs of greenhouse gases (...), of the Convention, including forests*";
- The Paris Agreement acknowledging that "*Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity*";
- UNFCCC safeguards reporting requirements and the implementation of a safeguards information system containing updated and consistent information, which is transparent, accessible to stakeholders, and provides information on all Cancun safeguards, and where relevant, builds on existing systems consistent with relevant UNFCCC decisions;
- The UN Declaration on the Rights of Indigenous Peoples and the African Charter on Human and Peoples' Rights;
- The Aichi targets under the Convention on Biological Diversity to increase the acreage of the network of protected areas to at least 17 per cent;
- International best practice relating to transparency, civil society participation and land tenure rights.

Emphasizing that CAFI aims to:

- Recognize and preserve the value of the forest in Central Africa with a view to mitigate climate change, reduce poverty and contribute to sustainable development;
- Support the implementation of holistic investment frameworks for low-carbon development, including political reform and national measures to address the drivers of deforestation and forest degradation that meet established environmental and social safeguards at the national level;
- Support the coordination of external interventions on a national policy framework;

¹ Article 2 of the Paris Agreement.

- Constitute a forum for partnerships and sharing of experiences between countries.

Taking into account:

- The signature, during the meeting of the General Assembly of the United Nations in New York on 29 September 2015, of the CAFI Joint Declaration between the countries of Central Africa with high humid forest cover and a coalition of committed donors²;
- The presentation of Gabon's National Investment Framework to the Executive Board of CAFI on 7 December 2015 and 27 April 2017.

The Parties agree on the establishment of a cooperative partnership for the implementation of Gabon's National Investment Framework, based on this Letter of Intent, and the decision on a country allocation to Gabon by the CAFI Executive Board, on 27 June 2017.

Furthermore, they agree to a potential extension of the partnership beyond 2021, based on results achieved and availability of funding. When evaluating results, the Parties will assess the achievement of the milestones of this Letter of Intent and the level of ambition reflected the implementation of the provisions set forth in ARTICLE I, (a) below.

ARTICLE I. PURPOSE OF THE LETTER OF INTENT

This Letter of Intent sets out the respective obligations of the parties within this partnership, in which:

- a. Gabon is committed to reducing its greenhouse gas (GHG) emissions from forests. As stated in its National Investment Framework and as will be reflected in its forthcoming Nationally Determined Contribution (NDC) to UNFCCC, Gabon aims to reduce gross emissions by 50% below 2005 level by 2025 (this implies a reduction of more than 50% in the forest sector). As defined in ARTICLES II and III, emission reductions related to forests, in order to meet this goal and to further ratchet up ambitions in the future, will be achieved, inter alia, by:
 - i. preserving all High Carbon Stock (HCS) and High Conservation Value (HCV) forests³ in accordance with emerging international consensus and best practice on the definition of low emission development;
 - ii. introducing a permanent cap on the area of non-HCS/HCV forests available for conversion to other land uses;
 - iii. maintaining residual conversion of non-HCS/HCV forests at very low levels while ensuring that such conversion is carbon-neutral (compensated by active restoration or carbon enhancement of other forests);
 - iv. substantial reductions in the areas under logging concessions; and

² <http://www.cafi.org/content/cafi/en/home/our-work/the-cafi-declaration.html>

³ On an exceptional basis, carbon-neutral HCS/HCV conversion may occur in case of infrastructure development and extractive industries outside the forest and agriculture sectors that are deemed of vital interest to the national economy. This exceptional conversion of HCS/HCV forest will be covered by the cap referred to in ARTICLE I, (a) (ii). As specified in the National Investment Framework, potential HCS conversion under this footnote will be subject to annual reporting and made public at www.pnatgabon.ga.

- v. measures against illegal logging and policies to promote sustainable forest management.
- b. CAFI is committed to mobilising and securing funding to support Gabon in implementing its National Investment Framework that will contribute to the achievement of the emission reductions mentioned in this ARTICLE.

ARTICLE II. GENERAL OBJECTIVES

The Government of Gabon states its commitment to achieve the outcomes laid down in the National Investment Framework. This framework includes two investment programs to improve land use planning and forest monitoring, which together with aligned forest governance activities aim to address the major current and future drivers of deforestation and forest degradation. Taken together, this will make a significant contribution to implement the country's INDC and upcoming NDC and the Paris Agreement adopted in December 2015, as well as the 17 Sustainable Development Goals adopted in September 2015.

1. Land Use Planning
Develop, adopt and implement, in a transparent and participatory manner, a national land use plan that organizes and optimizes the use of land and forest resources by the various national economic sectors to reduce the impact thereof on forests, reduce conflicts and promote sustainable development at national and local level. The plan will be based on the principles of non-conversion of HCS/HCV forests, limited and carbon-neutral conversion of non-HCS/HCV forest, reduced area under logging concessions, lower emissions from logging operations and rural activities and the respect of customary land tenure.
2. Forest Monitoring
Establish a fully operational National Natural Resources and Forestry Observation System (NNRFOS) to (i) develop a better understanding of biodiversity and follow the impacts if climate change; ii) estimate carbon stocks and GHG flows and model how forests behave under climate and land-use change; (iii) support the implementation of the NLUP as well as monitoring and strengthening the sectoral effects on forestry, agriculture and infrastructure to reduce deforestation and forest degradation; and (iv) track, monitor and control the implementation of forest management, illegal logging, mining activities and agricultural development.
3. Forest Governance
Continue to build on various efforts to maintain carbon sequestration by forests, reduce emissions related to forest degradation and improve inclusive forest governance.

The milestones associated with these general objectives are presented in ARTICLE III and will guide the implementation of the Investment Framework, including in the programming phase.

ARTICLE III. MILESTONES

Reports on all milestones will be regularly updated on the website www.pnatgabon.ga to be available to the public.

1. LAND USE PLANNING

All relevant information resulting from the land use planning process, including maps, will be regularly updated on the website www.pnatgabon.ga to be available to the public.

December 2021 Milestone

Land use plan adopted and being implemented in accordance with the principles of ARTICLES I and II (including laws, regulatory decrees, budgetary allocations, definition of the competence of authorities and law enforcement arrangements etc.)

Intermediate Milestones December 2017

- a. Signature of the *TFA 2020 Marrakech Declaration for the Sustainable Development of the Oil Palm Sector in Africa*, under the African Palm Oil Initiative, APOI.

Intermediate Milestones June 2018

- b. Finalisation and adoption of the National Action Plan of the TFA 2020 Marrakech Declaration for the Sustainable Oil Palm Sector in Africa.
- c. Development and adoption of national guidelines and definitions to ensure that forests with High Carbon Stocks (HCS) and High Conservation Value (HCV) will not be converted to other land uses, in accordance with emerging international consensus and best practice
- d. A policy on a carbon-neutral approach to the conversion of non-HCS/HCV forest to other land uses is developed, adopted and implemented according to the following principles:
 - i. Reductions in the carbon stock resulting from forest conversion are compensated through equivalent increases in the carbon stock of remaining forest and on other land through active carbon stock enhancement, restauration and maintenance measures that are new and additional;
 - ii. The costs of protection and restoration needed to ensure carbon-neutral conversion will, in full or – in particular circumstances – in large part, be imposed on private operators in charge of the conversion to incentivise operators to target the conversion of degraded lands or forest with lowest carbon stocks;
 - iii. Protection and restauration efforts are implemented, in accordance with the Gabonese law on environmental protection, ahead of the conversion to avoid a negative annual carbon balance throughout the conversion process; and
 - iv. Promoting social and environmental benefits and minimizing and mitigating potential social and environmental risks (through safeguards).
- e. Establishment of a methodology and roadmap to ensure participation and free prior and informed consent in land use planning decisions that involve forest-dwelling people and traditional communities.

Intermediate Milestones June 2019

- f. Preliminary setting of a long-term cap on carbon-neutral conversion of non-HCS/HCV forests (and on an exceptional basis HCS/HCV forests as outlined in ARTICLE I (a)(i)) to other land uses, subject to the

national guidelines above and based on an initial estimated need of 400 000 ha⁴ of long term accumulated conversion, with no more than 10 000 ha converted on an annual basis⁵. Remaining forest cover and carbon stock will be preserved on a permanent basis through the commitment on a permanent, quantified national forest cover. The long-term cap will be confirmed by June 2020.

- g. Report on compliance with commitment of non-conversion of HCS/HCV forests.
- h. Report on the progress made in participatory and inclusive land use planning including:
 - i. The composition, terms of reference and activities of the National Interministerial Commission and the provincial commissions;
 - ii. Summary of the consultation processes and how the concerns have been addressed currently described under activity 1.5 of the National Investment Framework; and
 - iii. Summary on the activities conducted under the Grievance Mechanism of the National Land Use Planning Commission.
- i. Report on progress made on mapping land use suitability for agriculture, mining, conservation, climate vulnerability and sustainable natural resource exploitation.

2. FOREST MONITORING

December 2021 Milestone

NNRFOS fully operational and reporting to the UNFCCC with sufficient funding to continue its activities after the current CAFI funding. Information generated by the NNRFOS, as well as technical background documents, are available to the public on a web platform.

Intermediate Milestones June 2018

- a. National Natural Resources and Forestry Observation System (NNRFOS) design completed.
- b. Development of a methodology to monitor the carbon-neutrality of conversion of non-HCS/HCV forest (see Milestone d. under 1. LAND USE PLANNING).

Intermediate Milestones June 2019

- c. Submission of Biennial Update Report with results based on the analysis provided by NNRFOS and coherent with IPCC guidance:
 - i. Including IPCC compliant methodology of at least Tier 2 levels for key forest carbon pools for determining estimates of gross forest based emissions and removals in Gabon; and
 - ii. Including a description of relevant institutional responsibilities for MRV.
- d. Draft report on the monitoring of economic activities on forests.
- e. Report on law enforcement action based on alerts provided by the NNRFOS to line ministry or enforcement agency.
- f. NNRFOS ongoing.
- g. 750 villages mapped (corresponding to 29% of all villages).

⁴ This indicative ceiling of 400 000 ha represents 1.7% of the total national forest cover of 23.6 million ha, according to the definition specified in the National Investment Framework. This forest definition is an integral part of this Letter of Intent.

⁵ This will be calculated as a rolling three-year average of maximum 10 000 ha, while allowing for annual variation up to 20 000 ha as long as within the three-year rolling average of 10 000 ha per year.

3. FOREST GOVERNANCE

December 2021 Milestone

Improved forest governance, reduced emissions from forest degradation and continued reporting on safeguards to UNFCCC.

Intermediate Milestone December 2017

- a. In conformity with Article 11 of the Decree on the National Land Use Planning Commission, civil society and private sector representatives are involved in the Commission's work.

Intermediate Milestone June 2018

- b. Establishment of a joint M&E framework for relevant international development assistance to align funding flows and technical assistance.

Intermediate Milestones June 2019

- c. An ambitious plan to fight illegal logging is elaborated, validated in a participatory way and progressively implemented, notably based on concrete progress in the negotiation process of the Voluntary Partnership Agreement between the Gabon and FLEGT.
- d. Report on the progress made on:
 - i. Completion and enforcement of the legal and regulatory framework, adopted through inclusive discussion among national stakeholders, for forest management, timber exploitation and timber trade; and
 - ii. Roll-out of the management plans demonstrating an increase in surface area under sustainable management, as a percentage of total concession area, compared to June 2017;
 - iii. Increased monitoring and enforcement capacity of the forestry administration including information systems and officials trained
- e. Revision of the forest code and its regulatory decrees to lay down how and at what pace the area under logging concessions will be reduced from its current level of 17 million ha to maximum 13 million ha as early as possible and no later than by 2025, as stipulated by the Strategic Plan on Emerging Gabon.
- f. Establish a target on reduced per hectare emissions and total emissions from forest degradation from remaining logging concessions and develop and adopt an action plan to achieve this target, including improvements in logging criteria to reduce climate and biodiversity impact per hectare.
- g. Implementation of a safeguards information system consistent with relevant UNFCCC Decisions and inclusion into the national report to the UNFCCC the first summary of information on how relevant safeguards are being addressed and respected according to UNFCCC Decisions.

ARTICLE IV. THE CONTRIBUTION

The Executive Board, in its decision of 27 June 2017, approved an allocation of up to EIGHTEEN MILLION US dollars (US\$ 18 000 000)⁶ over the period 2017 to 2021 representing the contribution of CAFI to the

⁶ Corresponding to a maximum of 150 million Norwegian kroner (NOK 150 000 000)

implementation of Gabon's National Investment Framework. The allocation is subject to the fulfilment of the conditions in the CAFI Standard Administrative Arrangement including conditions related to availability of funds.

In accordance with the CAFI Fund Standard Administrative Agreement⁷, the request from the implementing agency selected by the Government of Gabon will be based on the financial needs, programmatic projections and the relevant financial and narrative reports.

The funding will be made available for programming in two tranches, the first one of up to NINE MILLION US dollars (US\$ 9 000 000) upon approval by the CAFI Executive Board of the relevant programmes, and a second one of up to a further NINE MILLION US dollars (US\$ 9 000 000) dependent on independent verification as specified in ARTICLE IX of the achievement of the intermediate milestones described in ARTICLE III.⁸

ARTICLE V. EFFORTS TO MOBILISE EXTERNAL FUNDING

Given the great challenges and opportunities of climate mitigation and adaptation efforts in Gabon, CAFI will endeavour to assist Gabon to attract private investments to help develop an inclusive, green deforestation-free economy. In addition, CAFI will support the development of a submission to the Green Climate Fund to complement CAFI's funding under this Letter of Intent.

ARTICLE VI. EFFORTS TO MOBILIZE DOMESTIC FUNDING

The Government of Gabon declares its commitment to finance the implementation of the National Investment Framework, over and above CAFI's funding. Furthermore, Gabon commits to explore the potential of various ways of longer-term mobilization of domestic contributions to finance the implementation of additional measures needed to achieve the objectives of the INDC. A first stock-taking of this process will be made available by the end of 2019.

ARTICLE VII. EFFORTS TO ENSURE CONSISTENCY IN DOMESTIC SECTORIAL PLANNING

The Government of Gabon declares its intention to align its sectoral and intersectoral plans with the National Land Use Plan.

ARTICLE VIII. MECHANISM FOR DISBURSEMENT

The representative of the implementing agency will send a request for the release of each tranche to the CAFI Executive Board, based on documented financial needs and as specified in ARTICLE IV.

The CAFI Executive Board will then, subject to the fulfilment of the conditions in the CAFI Fund Standard Administrative Arrangement (SAA)⁹, other donor contribution agreements, the availability of funds and

⁷ <http://mptf.undp.org/document/download/15192>

⁸ Indicatively, the first tranche will be disbursed in October 2017, while the second tranche will be divided in two sub-tranches, disbursed in November 2019 and 2020.

⁹ The Agreement between MPTF and CAFI donors.

the results of the independent verification described in ARTICLE IX below, instruct its administrative agent to effect the release of the tranche to the implementing agency.

ARTICLE IX. INDEPENDENT VERIFICATION

Both parties agree that the independent verification will comprise a quantitative and qualitative assessment of the level of achievement of the intermediate milestones shown in ARTICLE III., in the context of ARTICLES I and II, and according to three achievement criteria (i.e. full, partial, none). After the signing of this Letter of Intent, CAFI and the Government of Gabon will jointly develop and agree on a document that sets out the modalities of this independent milestone verification and the trigger for the second tranche.

ARTICLE X. PARTNERSHIP MONITORING

The Government of Gabon agrees to ensure, in an integrated manner, with relevant programmes and partners:

- a. monitoring of the indicators provided in its National Investment Framework, including the CAFI indicators;
- b. joint monitoring and periodic reporting on relevant international development assistance to ensure alignment with the objectives of this Letter of Intent;
- c. monitoring of the milestones specified in this Letter of Intent, for which updated information will be regularly provided on the website www.pnatgabon.ga to be available to the public.

The Government of Gabon and the CAFI Executive Board agree on at least one annual meeting to discuss the results of this monitoring, based on an annual written report submitted by the Government of Gabon two weeks prior to the annual meeting.

ARTICLE XI. AMENDMENT TO THE LETTER OF INTENT

This Letter of Intent may be amended through an exchange of letters between the parties. The letters exchanged to this end shall then form an integral part of this Letter of Intent.

ARTICLE XII. TERMINATION OF PARTNERSHIP

After consultation between the Government of Gabon and CAFI, this Letter of Intent may be terminated by each party. The Letter of Intent shall cease to be in effect thirty (30) days after one party has notified in writing the other party of its decision to terminate it.

However, those commitments on which implementation is already under way must remain covered until complete fulfilment.

ARTICLE XIII. NOTIFICATION AND COMMUNICATION

Any notification or correspondence from the Government to the CAFI Executive Board will be addressed by the Ministry of Economy.

ARTICLE XIV. ENTRY INTO EFFECT

This Letter of Intent shall enter into effect upon signature by the parties concerned on the date of the last signature.

ARTICLE XV. CONFIRMATION BY MPTF

The UNDP Multi-Partner Trust Fund Office (MPTF Office), the CAFI Fund administrative agent, confirms that on the date of signature of this Letter of Intent, the Standard Administrative Agreements signed with the donors are adequate¹⁰. The MPTF Office will inform the CAFI Executive Board and the Government of Gabon within thirty (30) days of any modification to the SAAs which may affect the terms of this Letter of Intent.

¹⁰ Subject to the submission and assessment of the relevant reports, the demonstration of financial needs, the exchange rates at the time funds are received and the provision regarding parliamentary appropriations included in Annex B "Payment schedule" of the CAFI Fund Standard Administrative Arrangement [Cf. <http://unterm.un.org/UNTERM/Display/Record/UNOG/NA?OriginalId=39841>].

IN WITNESS WHEREOF the undersigned, duly authorized thereto, have signed this Letter of Intent in English and French in duplicate.

For Gabon

H.E M Régis IMMONGAULT

Minister of Prospective Economy and Sustainable Development Programming

Gabonese Republic

Date

For CAFI

H.E Mr. Vidar Helgesen

Minister of Climate and Environment

Kingdom of Norway

Date

Jennifer Topping

Executive Coordinator

Multi-Partner Trust Fund Office, UNDP

Date