

Letter of Intent on the establishment of a long-term partnership to implement the Investment Plan
of the National REDD+ Strategy

between

The Central African Forest Initiative (CAFI), represented by H.E. the President of the French
Republic, in his capacity as the Chair of the Executive Board

and

The Republic of Congo, represented by H.E. the President of the Republic of Congo,

Jointly referred to hereinafter as the “Signatories”

PREAMBLE AND CONTEXT

Recognizing:

- The guidelines of the National Development Plan (PND 2018-2022) of the Republic of Congo, establishing the country’s emergence, governance and poverty reduction objectives;
- The significant challenges that the Republic of Congo must address to promote a sustainable development path, based on the development of human capital and diversification of the economy, contributing to global efforts to combat climate change;
- The importance of strengthening policies on land use and the sustainable management of natural resources to contribute to the country’s development efforts, specifically to improve the business climate and attract foreign direct investment;
- The gravity of the issues related to climate change and the loss of biodiversity, one of the greatest challenges facing the planet today, and yet one that also represents a unique opportunity to work towards achieving the Sustainable Development Goals through enhanced international cooperation;
- The central role of the tropical forests of the Congo basin and, more particularly, of the Congolese forests, as shown by scientific research on the important contribution of standing forests to storing carbon, protecting biodiversity, regulating rainfall and mitigating climate change nationally, regionally and worldwide, while providing livelihoods to the populations;
- The significant progress of the REDD+ process in the Republic of Congo, particularly in developing strategic and technical tools and defining the orientations set within the National REDD+ strategy.

Considering:

- The Sustainable Development Goals noted in the Agenda 2030, adopted by the United Nations (UN);
- The objectives established by the parties to the Paris Agreement adopted at the 21st Conference of Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC) and the parties' willingness to contribute actively to achieving said objectives through their Nationally Determined Contribution (NDC) at the national level, including the implementation of all of the relevant decisions taken by the Conference of the Parties;
- The objectives of the Convention on Biological Diversity (CBD) and the intention of the parties to contribute to achieving them, in particular Aichi Target 11, which calls for increasing protected area networks, covering terrestrial and inland water areas, to at least 17 per cent;
- The United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa;
- The Resolution 61/295 on the UN Declaration on the Rights of Indigenous Peoples;
- The Cotonou Agreement, revised 22 June 2010 in Ouagadougou, between the European Union (EU) and African, Caribbean and Pacific (ACP) countries on participation of civil society, local communities and indigenous peoples;
- The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, adopted in May 2012 at the 38th session of the Committee on World Food Security (CFS);
- The Central African Forest Initiative (CAFI) Joint Declaration, signed on 29 September 2015 in New York by the Republic of Congo during the meeting of the General Assembly of the United Nations¹, and the presentation of the Investment Plan of the National REDD+ Strategy of the Republic of Congo to the CAFI Executive Board in October 2017, June 2018 and September 2018;
- The commitment of the international community, under the Bonn Challenge, to restore 150 million hectares of degraded and deforested land by 2020 and 350 million hectares by 2030 and the specific commitment by the Republic of Congo to restore 250,000 hectares of deforested and degraded land under the Challenge;
- The Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade (referred to hereinafter as "VPA-FLEGT") signed 17 May 2010 between the Republic of Congo and the European Union, which took effect on 1 March 2013, to improve forest governance;
- The Marrakesh Declaration for the Sustainable Development of the Palm Oil Sector, signed by Congo in 2016, marking its commitment to achieve zero net deforestation;
- The Treaty on the Conservation and Sustainable Management of Forest Ecosystems of Central Africa establishing the Central Africa Forests Commission, signed on 5 February 2005 in Brazzaville;

¹ <http://www.cafi.org/content/cafi/fr/home/our-work/the-cafi-declaration.html>

- The Brazzaville Declaration of 22 March 2018, signed during the third meeting of the partners of the Global Peatlands Initiative, which affirms the Congo’s will to protect the country’s peatlands ecosystems, as well as the rights of local communities and indigenous populations in those areas;
- The June 2004 accession of the Republic of Congo to the Extractive Industries Transparency Initiative (EITI), the status of “compliant country” obtained in February 2013 and the inclusion of the forest sector based on a voluntary decision by the Government; and,
- The recognition, by the CAFI Executive Board on 29 October 2018, of the Investment Plan of the National REDD+ Strategy as the negotiation framework for a Letter of Intent.

The Signatories express their commitment to establish a long-term partnership to implement the Investment Plan of the National REDD+ Strategy of the Republic of Congo based on this Letter of Intent, following the 5 April 2019 decision of the CAFI Executive Board.

This Letter of Intent specifies its purpose and sets out the partnership principles and arrangements for the 2020-2025 period. The scope of the partnership will depend on the progress made in achieving the objectives set and may be expanded, on that basis, including to a results-based payment scheme for emissions reductions. The Signatories shall strive to extend the partnership beyond 2025, based on progress towards achieving the objectives.

I. PURPOSE OF THE LETTER OF INTENT

This Letter of Intent defines the respective goals of the partnership, under which:

- a. The Republic of Congo expresses its willingness to work towards sustainable development by the promotion of a green economy and the conservation and sustainable management of forest ecosystems to ensure diversification and economic growth and combat poverty and climate change. The country intends to reduce its greenhouse gas (GHG) emissions specifically those from the “land use, land-use change and forestry” sector (LULUCF), based on its Forest Reference Emission Level (FREL), which will be revised. This level will be taken into account in the next Nationally Determined Contribution (NDC), which will be submitted to the UNFCCC. These emission reductions will be met through the following specific objectives:
 - i. Define and implement a land use policy, to the sustainably allocate and use land and natural resources, that ensures the protection and sustainable management of forest cover and peatland areas, based on the establishment of a Permanent Forest Estate (PFE), development of agro-forestry practices, orientation of agro-industrial activities into savannah areas, and securing public and private land rights, including customary rights;

- ii. Implement the Government’s decision to promote agricultural activities, specifically agro-industrial activities and those related to the development of perennial crops, in savannah areas;
- iii. Commit to not convert² and to sustainably manage High Carbon Stock (HCS) and High Conservation Value (HCV)³ forests, which will be defined in consultation with all stakeholders, based on national specificities, in accordance with the emerging international consensus and best practices regarding the definition of low-emission development, as well to manage all other areas sustainably;
- iv. Introduce a permanent cap on non-HCS/HCV forest lands available for conversion to other uses and ensure that these activities respect the principle of compensation (carbon and/or biodiversity);
- v. Establish and implement land use plans that encourage the protection and sustainable development of peatlands and prevent them from being drained and dried out⁴;
- vi. Implement measures seeking to improve forest governance, specifically to combat illegal logging, by implementing the VPA-FLEGT and its Legality Assurance System (LAS), as well as through policies that promote sustainable forest management, specifically, reduced-impact logging operations;
- vii. Strengthen controls on the environmental impact of activities, particularly in forest areas;
- viii. Develop forest and agro-forest plantations; and,

² The term “conversion” refers to the conversion “of forests to another land use category,” under the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Chapter 1.3.1.

³ On an exceptional basis, HCS and HCV forest conversion may occur in case of the development of infrastructure and extractive industries outside the agro-industrial sector, which are deemed of vital interest to the national economy, ensuring that these activities satisfy the principles of carbon and/or biodiversity compensation. This exceptional conversion of HCS/HCV forests will be covered by the cap referred to in Article 1.a.iv. The potential HCS/HCV forest conversions under this footnote will be subject to annual reporting and made public at the site of the ministries concerned and/or of the Prime Minister’s office.

⁴ The term “protection and sustainable management of peatlands” in the context of the Letter of Intent is included in accordance with the commitments made under the Brazzaville Declaration and Resolution UNEP/EA.4/RES.16 on the Conservation and Sustainable Management of Peatlands, adopted on 15 March 2019, and covers the following aspects:

- Establishment and implementation of land use plans that support peatlands conservation and protection;
- The promotion of best sustainable management practices in peatlands areas covered by economic activities so that the latter are managed sustainably and carefully in terms of climate; that is, so that they are not drained or dried out; and,
- Implementation of the principle of free, prior and informed consent with regard to the activities mentioned above.

- ix. Develop payment mechanisms for environmental services.
- b. CAFI members will endeavour to mobilize public and private funding, within the CAFI Trust Fund, as well as to align their bilateral intervention, to support the Republic of Congo in achieving its goals, as set forth in the Investment Plan of the National REDD+ Strategy, and support the country in accessing innovative financing, particularly payments for environmental services.

II. GENERAL PRINCIPLES

The Republic of Congo and CAFI note the importance of complying with the following general principles under the partnership to be established by the Letter of Intent, which apply to all of the milestones that appear in Annex 1:

1. A high-level, continuous, multisectoral political dialogue by the establishment of a high-level consultation framework, led by the Prime Minister, the Head of Government, and bringing together the authorities concerned and the country's technical and financial partners, particularly those who are members of CAFI's Executive Board, to jointly monitor implementation of the Letter of Intent and the Investment Plan of the National REDD+ Strategy;
2. A participatory approach to land use via consultation mechanisms that involve all stakeholders concerned in land use-related sectors in order to comply with the principles of consultation and transparency in the implementation processes, while acknowledging and respecting the role and responsibilities of the State in the final decision;
3. The recognition and respect of the rights and aspirations of all stakeholders, including local communities, indigenous populations and women, particularly in the area of customary and modern land rights. These will be considered in the planning and implementation phases of policies and programmes to contribute to improving the populations' living standards and promote gender equality, in line with international conventions and best practices and with the country's legal and regulatory framework;
4. A performance-based approach to guide efforts to mobilize CAFI resources, based on progress towards achieving the objectives set forth in this Letter and the level of the Government's commitment;
5. Increased coordination and search for synergies by the Government and the partners among the country's policies, initiatives and programmes dealing with land use and natural resource management and its climate commitments, and alignment of the interventions of the country's financial partners to achieve the objectives of this Letter of Intent and the Investment Plan of the National REDD+ Strategy.

III. OBJECTIVES

To achieve the goals referred to in paragraph I.a, the Government of Congo and CAFI express their intention to achieve the following eight objectives, which are aligned with the priorities defined by the Investment Plan of the National REDD+ Strategy on sustainable allocation and land use and that will be implemented in accordance with the principles at Point II.

These actions contribute significantly to implementing the future Nationally Determined Contribution, achieving the climate objectives of the Paris Agreement adopted in December 2015, those defined by the Convention on Biological Diversity and the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, and meeting the 17 sustainable development goals adopted in September 2015.

1. Land use planning
<p>Develop, adopt and implement a national land use plan (PNAT), a national territorial development plan (SNAT) and departmental land use plans (SDAT) that organize and optimize the use of land by the various national economic sectors in order to:</p> <ul style="list-style-type: none">- promote sustainable development at national and local scale;- support the country's economic diversification policy;- improve the business climate, enabling increased mobilization of investments;- reduce impacts on the forest; and,- guarantee a permanent forest estate. <p>The national land use plan will depend, in particular, on the establishment of a Permanent Forest Estate and on the principles of non-conversion of HCS/HCV forests, of protection and sustainable management of peatlands to ensure that they are not drained or dried out, of limited, carbon-neutral conversion of non-HCS/HCV forests, of compensation for biodiversity and carbon losses and of respect for customary land rights and will make it possible to resolve and prevent land use conflicts.</p>
2. Secure land tenure
<p>Implement the new land tenure law that recognizes and respects the rights of local communities and indigenous populations (LCIPs) that do not possess land title recognized under modern law, in particular, the continuation of the programme to recognize land tenure and to register land rights. Implementation of the land tenure law will also make it possible to establish State land</p>

reserves benefiting investors and the populations, while reducing land tenure conflicts and taking into account the provisions of the PNAT, SNAT and the SDATs.

Establish a cross-sectoral land registry (combining mining, petroleum, agro-industrial and forestry registries) to avoid conflicting land use overlaps.

3. Strengthen environmental and social controls on activities affecting the forest cover and biodiversity

Strengthen and implement the regulatory framework governing environmental protection and environmental and social impact studies, particularly the monitoring of environmental and social management plans, to include provisions on compensation for biodiversity and carbon. This will provide appropriate tools to implement and monitor the principles of forest and peatland preservation, as well as the Cancun Safeguards for land and resource use projects in the agricultural, forestry, mining, hydrocarbon and infrastructure sectors.

4. Agricultural development

Support the sustainable development of the agricultural sector by directing agro-industrial plantations, including palm oil, to savannah areas in compliance with environmental requirements, and by promoting zero-deforestation agroforestry for small-scale farming practices in forest areas.

Support soils research to identify savannah areas suitable for palm oil development.

The development of the agricultural sector will take the following principles into account:

- non-conversion of HCS/HCV forests;
- protection and sustainable development of peatlands to prevent them from being drained or dried out;
- limited and carbon-neutral conversion of non-HCS/HCV forests;
- compensation for biodiversity and carbon losses;
- compliance with customary land title rights; and,
- transparency in terms of agricultural land planning and allocation for agro-industrial plantations.

5. Forest governance and sustainable forest management

Develop, adopt and implement a policy of sustainable management of forests and legal and low-emission logging through:

- adopting a legal framework aligned with the principles of sustainable development;

- efforts to improve forest governance by implementing and strengthening the application of the legal and regulatory framework, specifically monitoring legality, by implementing the VPA-FLEGT, its LAS and, in particular, the Computerized Legality Verification System (CLVS), and continuing the efforts to develop management plans by Forest Management Units (FMU);
- promotion of forestry methods with low impacts on ecosystems and carbon stocks;
- oversight of the artisanal sector to ensure the legality of operations and its economic and environmental sustainability;
- strengthening the protected areas network and its effective and efficient management;
- mapping and improved knowledge of the peatlands and their protection and sustainable management to prevent them from being drained or dried out;
- developing forest and agro-forestry plantations and restoration of degraded areas; and,
- developing the fuelwood sector particularly from forest plantations.

6. Governance of the mining, hydrocarbon and infrastructure sectors

Strengthen the concertation among and the accountability of actors (public, private and civil society) in the mining, hydrocarbon and infrastructure sectors for the preservation of forest ecosystems;

Ensure the implementation of decree 2019-133 of 31 May 2019 conditioning land attributions to the prior approval of the inter-ministerial committee for land use planning and development, and develop and adopt regulations specifying the provisions for the allocation of land for mining, hydrocarbon and infrastructure operations to incorporate the following principles:

- minimization of direct and indirect impacts of mining and hydrocarbon activities on carbon stocks and forest and peatlands biodiversity;
- prior environmental and social impact studies for all mining, hydrocarbon and infrastructure projects, in accordance with the provisions of law 003/91 of 23 April 1991 on the protection of the environment;
- non-conversion of HCS/HCV forests⁵,
- limited conversion and compensation for losses of carbon and/or biodiversity of non-HCS/HCV forests;
- protection and sustainable development of peatlands to prevent them from being drained or dried out;
- contributions from mining and oil companies for the management of neighbouring protected areas, in partnership with international organizations; and,

⁵ On an exceptional basis, carbon-neutral HCS/HCV conversion may occur in case of the development of infrastructure and extractive industries outside the agro-industrial sector, which are of vital interest to the national economy. This exceptional conversion of HCS/HCV forests will be covered by the cap referred to in Point 1.a.iv.

- minimization of the risks of conflicts, related to incompatible land uses, with other operators in the private sector and local communities and indigenous populations who hold recognized customary use rights, in compliance with social and environmental safeguard tools.

Strengthen controls over semi-industrial, artisanal and informal mining companies.

Plan infrastructure for energy and the transport of extracted resources, limiting the impact on forest ecosystems.

7. Promote sustainable fuelwood and renewable energy

Implement the energy sector policy by favouring sustainable alternatives to non-renewable fuelwood resources by involving stakeholders (public and private sectors and civil society).

8. Strengthen governance, coordination and financing

Provide inter-sectoral and inclusive guidance, coordination and high-level monitoring to increase mobilization and alignment of the interventions and financing from the public and private sectors and civil society, nationally and internationally, with the objectives of the Letter of Intent and the Investment Plan of the National REDD+ Strategy.

Conduct a study on the establishment of an Independent Observation in the framework of the implementation of the Letter of Intent, the results of which will be approved by all stakeholders.

Establish a consultation framework with the private sector to incite businesses to enter the REDD+ process.

Ensure the transparency and consolidation of information and implementation of the law in the land use sector (mines, hydrocarbons, forest, agriculture and infrastructure).

Establish a consultation platform for donors, international institutions and actors from the Republic of Congo.

The milestones associated with these objectives, defined in the Annex, will guide the monitoring of cooperation between the Signatories, based on the monitoring/evaluation provisions in accordance with Article VII.

IV PARTNERSHIP IMPLEMENTATION ARRANGEMENTS

4.1 CAFI FINANCIAL COMMITMENTS

To contribute to achieving the objectives mentioned above, CAFI notes its willingness to:

- mobilize and provide funding i) through its MPTF fund and ii) bilateral public funding aligned with the objectives of the Letter of Intent and the Investment Plan of the National REDD+ Strategy (“CAFI contribution”);
- support efforts to mobilize and coordinate external public and private resources to contribute to the development of an inclusive, deforestation-free green economy and to the coherence of interventions (“aligned interventions”); and,
- support the Republic of Congo in the promotion of systems for payment for environmental services.

4.1.1 CAFI contributions: CAFI Trust Fund contribution and CAFI bilateral contributions

In its 5 April 2019 decision, the CAFI Executive Board approved an initial/maximum allocation of USD 65 million for the period 2019-2025, including USD 45 million from the CAFI Trust Fund and USD 20 million in additional bilateral financing.

Efforts to mobilize and make the CAFI contribution resources available will be undertaken in accordance with the performance-based approach referred to above; that is, based on the Government’s level of commitment to achieving the objectives outlined in this Letter and the progress made.

In line with the Terms of Reference of the CAFI Fund, the contribution from the CAFI Trust Fund will be subject to Executive Board allocation and disbursements decisions. This contribution is subject to meeting the conditions of the CAFI Standard Administrative Agreement, particularly those conditions related to the availability of funds. In accordance with the CAFI Fund Standard Administrative Agreement, the request of the Government of Congo, which will be consolidated by the CAFI Secretariat, will be based on the financial needs defined in the annual workplan, programmatic projections and relevant financial and narrative reports prepared by the implementing entities.

The CAFI Executive Board’s allocation and disbursement decisions regarding the Trust Fund contribution will be based on the demonstration of these financial needs, as well as on the review of progress relative to the agreed milestones for implementing the objectives of this Letter of Intent, which serves as the framework for political dialogue.

The CAFI member countries and their partners also express their intent to participate in the dialogue on monitoring the implementation of the Letter of Intent and to strengthen efforts to align their funding programmes in Congo with the objectives of the Letter of Intent and the Investment Plan of the National REDD+ Strategy.

The Signatories state their intention that CAFI bilateral contributions should meet the following criteria:

- be new, additional and predictable;
- show that they contribute directly to achieving the objectives in the Letter of Intent and the Investment Plan of the National REDD+ Strategy; and,
- respect the governance and monitoring framework established for the implementation of the Letter of Intent and the tracking of progress towards achievements of the milestones.

These bilateral contributions will be implemented through programmes and projects for which the Office of the Prime Minister will preside the steering structures, in order to fulfil its role as monitor of the commitments taken in the Letter of Intent.

The donors who provide the bilateral funding included in the Letter of Intent will participate in the political dialogue as part of the monitoring of the achievement of the objectives set therein, particularly by integrating specific measures related to the donors' contribution in the monitoring plan in the Letter of Intent.

4.1.2 Aligned financing

Given the significant issues related to efforts to promote sustainable development based on an inclusive, green economy path, CAFI will work to help the Republic of Congo mobilize additional resources, both public and private, to contribute to the implementation of the Letter of Intent and the objectives of the Investment Plan of the National REDD+ Strategy. CAFI expresses its willingness to contribute to efforts to increase the coordination and alignment of the interventions with public funding sources, particularly multilateral (including the Green Climate Fund, the Global Environment Fund, the Blue Fund and the multilateral development banks), and with the initiatives and partners supporting the Republic of Congo in working towards sustainable land and natural resource use and management.

4.2 GOVERNMENT COMMITMENTS

To contribute to the achievement of the objectives in the Letter of Intent and implementation of the Investment Plan of the National REDD+ Strategy, the Government of the Republic of Congo notes its intent to:

- Carry out the institutional reforms necessary to achieve the objectives and milestones defined in this Letter, in accordance with the principles defined in Point II;
- Ensure the participation of the political authorities in key sectoral ministries, under the leadership and guidance of the Office of the Prime Minister, to monitor implementation of the objectives of this Letter and the Investment Plan National REDD+ Strategy;
- Ensure compliance with the principles defined in Article II;

- Ensure effective national coordination so that external funding (including the Green Climate Fund, GEF and the Blue Fund) can participate efficiently in meeting the objectives of the Letter of Intent;
- Take into account the implementation of the Investment Plan of the National REDD+ Strategy in budget planning, mobilize public and private national resources to implement the measures necessary to achieve the objectives of the Letter of Intent, of the Investment Plan of the National REDD+ Strategy and the revised NDC, including the LULUCF sector, and update national contributions on a regular basis in the financing plan;
- Improve the business climate in the land use sector.

4.3 DIALOGUE AND CONCERTATION MECHANISM

When this Letter of Intent is signed, the Signatories express their intent to establish a dialogue and consultation framework to achieve its objectives and, in particular, to implement Principles 1 and 2 set forth at Point II.

This mechanism will help to monitor the objectives and milestones in this Letter, draft recommendations for carrying out the defined institutional reforms and define the planned cooperation actions.

In this regard, the Government of the Republic of Congo and the CAFI donor countries express their commitment to comply with the following partnership framework, comprised:

- politically, of the dialogue and consultation mechanism that the Signatories intend to establish;
- programmatically, of the revised Investment Plan of the National REDD+ Strategy, the programming notes developed by the CAFI Secretariat in close consultation with the Government of the Republic of Congo and validated by the CAFI Executive Board, and the future project documents developed by the executing agencies with the Government and validated by the CAFI Executive Board;
- legally, of the Standard Administrative Agreement of the CAFI MPTF and the decisions of the CAFI Executive Board;
- in terms of the dialogue and consultation mechanism, of the annual monitoring plans defining specific monitoring milestones and indicators, milestone monitoring matrices and the annual report on milestone monitoring, including the recommendations and their implementation status.

The Government's technical and financial partners, such as the African Palm Oil Initiative (APOI) of the Tropical Forest Alliance 2020, may be associated to this dialogue and consultation framework to the extent that they contribute to the implementation of the objectives set out in the Letter of Intent.

4.4 PARTNERSHIP MONITORING AND EVALUATION

The Government of the Republic of Congo expresses its intent to ensure, in collaboration with the programmes' partners and stakeholders:

- Monitoring of the objectives and milestones set out in this Letter of Intent, specified jointly below in indicators updated in the annual work plans; updated information will be made available to the public regularly at the site <http://primature.cg>. An annual report on monitoring the milestones, including the implementation status of the recommendations of the joint review, will be prepared and posted online;
- Monitoring of the Investment Plan of the National REDD+ Strategy indicators. The definition of these indicators will take the CAFI indicators into account;
- Joint monitoring and periodic reporting on the funding sources that support implementation of the Investment Plan of the National REDD+ Strategy by updating the results and budget framework, including relevant international aid and gradual progress towards establishing domestic funding to ensure alignment with the objectives of this Letter of Intent; and,
- Involvement in the monitoring of the partnership and the proper functioning of an Independent Observation, whose mission would be to monitor measures and activities addressing the allocation and use of land and natural resources by capitalizing on the lessons and experiences of the existing mechanisms (in the forest sector, under the Extractive Industries Transparency Initiative (EITI), in the economic governance sector).

The Government of the Republic of Congo and the CAFI Executive Board agree to hold at least one annual review to discuss this monitoring, based on an annual written report that the Government will submit two weeks prior to the annual meeting.

In addition to the Signatories' regular monitoring, an independent review of the partnership will be conducted in 2023. The signatories will jointly develop and validate its terms of reference.

This regular monitoring by the Signatories, as well as the independent review, will make it possible to provide information on the Government's level of commitment and, thus, on CAFI's efforts to mobilize resources and the partnership's approaches.

4.5 AMENDING THE LETTER OF INTENT

This Letter of Intent may be amended by an exchange of letters between the Signatories. The letters thus exchanged will then become an integral part of this Letter of Intent.

4.6 NOTIFICATIONS AND COMMUNICATION

All notifications and correspondence from the Government to the CAFI Executive Board shall be sent by the Office of the Prime Minister.

This Letter of Intent shall not prejudice the discharge of duties following from the bilateral or multilateral agreements to which the Signatories are or may become parties. It does not create, nor does it seek to create, legal or binding obligations on either Signatory with regard to national or international law.

Done at Paris, on 3 September 2019, in two copies (French and English).

For the Republic of Congo

For the Central African Forest Initiative

The President of the Republic of Congo

The President of the French Republic

H.E. Denis SASSOU NGUESSO

H.E. Emmanuel MACRON

Date

Date

With the approval of

Jennifer Topping
Executive
Coordinator
Multi-Partner Trust
Fund Office
UNDP

ANNEX 1 - MILESTONES

All of the provisions of the Letter of Intent apply to the implementation of the milestones defined in this Annex, particularly strict compliance with the principles defined in Point II.

In accordance with Point VII, progress towards achieving the milestones will be monitored jointly on an annual basis. To that end, annual progress indicators will be defined after the Letter of Intent is signed. The first annual work plan with the 2020 indicators will be submitted by December 2019 and validated jointly by the Government and CAFI.

In the interest of simplification, this Annex uses the following terminology:

“Land use contract” applies to rural areas as defined by the land law and includes, for the various sectors:

- Forest sector (2019 Forest Code): Protected areas, FMUs, domestic permits, community forests
- Agricultural sector (agricultural land law): Occupancy and farming permits
- Mining and hydrocarbon sectors (respectively, Law No. 4-2005 of 11 April 2005 and Law No. 2016-28 of 12 October 2015 on the hydrocarbon code): prospecting licenses; research permit; artisanal operating permits; large-scale development permits; mining permits and hydrocarbon mining titles: exploration and operating permits.

All resource use and operating permits where changes in status are underway or planned in order to be adapted to the statuses defined by the new law in effect, referred to above, are also included.

1. Land-use planning

December 2025 milestones

- 1.1 The SNAT is revised and the PNAT and the SDATs are developed, validated and implemented using a participatory approach.
- 1.2 The FMU, the protected areas and community forests are classified under the permanent forest estate, in accordance with current regulation and the principle of free, informed and prior consent of the populations affected by the proposed classification.
- 1.3 Special legal status is assigned to peatlands (spread across the departments of Likouala, Sangha, Cuvette and Plateaux) so that they can be protected and managed sustainably, not to be drained or dried up.
- 1.4 The legal framework (intersectoral and sectoral codes) for granting permits and resolving conflicts over overlapping “land use contracts” in rural areas is revised, standardized and adopted. It ensures:

- The non-conversion and sustainable management of HCS and HVC forests, as well as the limited, carbon-neutral conversion and sustainable management of non-HCS and HVC forest areas;
- The absence of conflicts from titles overlapping other titles, the forests of the permanent forest estate and “land use contracts;” and,
- Acknowledgment of and respect for customary and modern land rights.

December 2023 intermediate milestones

- 1.5 HCS and HCV forests are defined and identified, in accordance with national specificities and in line with the emerging international consensus and best practices in defining low-emission development, and a legal framework is adopted to ensure their protection and sustainable management.
- 1.6 A long-term cap on the carbon-neutral conversion of non-HCS/HCV forests to other uses (and, exceptionally, HCS/HCV forests as noted in Point 1.a.iv) is established, on the basis of a temporary annual conversion cap of 20,000 ha as of 2019.
- 1.7 As of 2020, new land use allocations, all sectors combined, are made transparently and collaboratively, with prior control of uses to avoid incompatible overlapping uses in rural areas.
- 1.8 A national mapping of all of the “land use contracts” (registry) is produced and provided to the public. This mapping will ultimately take into account the customary territories that overlap the private and public estates. It is updated annually to take account of progress in resolving conflicts and new land use allocations.
- 1.9 Consultation frameworks involving the private sector, civil society, the key ministerial sectors and the ministry for land use planning are set up to resolve the conflicts identified.⁶ This step will include, in particular, setting up at least two pilot consultation frameworks to address one/several cases of conflicting overlapping permits (mining and FMU).

2. Rural land tenure

December 2025 milestones

- 2.1 The land law adopted by the Government helps to ensure that the process of issuing private land title and creating State land reserves is based on national consultation and recognizes and takes into account:

⁶ Possibility of developing a pilot for the conflicts identified in the TRIDOM area (overlap of a mining exploration permit, several FMUs and the presence of elephants).

- the non-conversion of HSC and/HVC forests, excepting development of infrastructures and extractive industries of vital interest for the national economy as stipulated in the footnote 3, in Point I of the Letter;
- the protection and sustainable management of peatlands so that they are not drained and dried out;
- the limited conversion and sustainable management of non-HVC/HCS forest areas;
- the existence of the PFE and mechanisms to manage it;
- the absence of conflicts from titles overlapping title with other land titles, forests in the permanent forest estate and “land use contracts;” and,
- the customary land rights of indigenous communities, as provided by Law No. 5-2011 of 25 February 2001 on the promotion and protection of the rights of indigenous populations.

2023 intermediate milestones

2.2 A specific regulation on the modalities for the recognition and security of customary land tenure of indigenous populations, in accordance with articles 31 and 32 of the Law No. 5-2011 of 25 February 2001 on the promotion and protection of the rights of indigenous populations in the Republic of Congo is adopted and implemented by 2023;

2.3 A land dispute redress and resolution mechanism is set up and operational. This mechanism is monitored and evaluated annually to improve performance of the land-use planning process and to consolidate the achievements of land tenure governance.

2.4 In the specific case of individual, community and industrial agro-forestry plantations in natural forest areas and/or in the PFE and in savannah areas,⁷ land tenure security and management measures are tested to be integrated into the regulatory frameworks governing land use planning, land tenure and the forest and agricultural sectors.

2.5 A pilot initiative is carried out to identify and delimit a land reserve for palm oil development in the savannah region.⁸ The process of identifying this land reserve will be developed based on a preliminary mapping of the land and village boundaries and will follow a CLIP process. The lessons learned will be applied to developing the implementing texts of the land law.

2022 intermediate milestones

2.6 A cross-sectoral land registry (mining, oil, agro-industrial and forestry sectors) is established

⁷ Case of coffee/cacao plantations in the community development zones’ degraded forests/case of agro-forestry-fuelwood plantations in urban centres’ supply basins in non-forest areas.

⁸ With a view to setting up the palm oil production pilot project proposed in the TFA 2020 action plan developed by the Republic of Congo.

3. Strengthening the environmental control system

December 2025 milestones

3.1 The legal and regulatory framework for environmental protection, in general, and environmental and social impact studies⁹, in particular, is revised to integrate:

- The impacts and risks to forest ecosystems, including HCS and HCV forests, GHG emissions, and provisions for biodiversity and carbon compensation. These impacts and risks are minimized by implementing the mitigation measures laid down in the Environmental and Social Management Plan, which complies with national provisions for sustainable forest management, including of HCS and HCV areas;
- Customary and modern land and resource rights of local communities and indigenous populations.

3.2 Operators active in the forest, mining, hydrocarbon, agriculture, infrastructure and energy sectors (category A and B activities) show that they are complying with the legal obligations to conduct impact studies (EIA) and issue impact notifications (EIN).

4. Sustainable forest management

December 2025 milestones

4.1 The nationally determined contribution is revised (3rd NDC) and transmitted to the UNFCCC. It integrates a revised reference level (FREL) published in 2024 that incorporates the most recent historic levels possible. The FREL is revised in accordance with the Monitoring, Reporting and Verification (MRV) system adopted and with UNFCCC guidelines. It also integrates the new Government measures taken with regards to land-use sectors. GHG emission calculations are complete, coherent (no double counting) and uncertainties regarding activity data and emission factors are provided.

4.2 A national strategy is defined and implemented to support the artisanal sector to ensure that its operations are legal and that it is sustainable, both economically and environmentally. The strategy and associated legal framework include clear provisions for the planning, allocation, management and monitoring of domestic operating permits. Domestic operating permits will be issued in accordance with the standards for managing and conserving HCS/HVC forests that will be adopted and the provisions of the PNAT, SNAT and SDATs and the FLEGT process.

⁹ The timeframe for the issuance and the validity of the environmental compliance certificate will be specified in and accompanied by a regulatory norm taking into account the specificities of the forest, mining, hydrocarbon and agricultural sectors.

December 2023 intermediate milestones

- 4.3 All of the PMUs allocated have an approved management plan. The beneficiaries of the PMUs with a management plan implement the plans developed.
- 4.4 The General Inspectorate for Finance and Forest Economy monitors illegalities revealed by the CLVS and publishes the results.¹⁰

December 2022 intermediate milestones

- 4.5 The CLVS is developed, validated and operational;
- 4.6 The reports of the Independent Observation (IO-FLEGT) continue to be published in accordance with the provisions of the VPA-FLEGT; and,
- 4.7 Before the forestry code's implementing regulations are adopted, they are subject to a transparent consultative process with all stakeholders through existing structures and processes.

December 2020 intermediate milestones

- 4.8 The nationally determined contribution is revised (2nd NDC) and transmitted to the UNFCCC. It includes a revised reference level (FREL) that integrates, in particular, the measures set forth in the Letter of Intent and the most recent historic levels possible. The FREL is revised in accordance with the MRV system adopted and with UNFCCC guidelines. GHG emission calculations are complete, coherent (no double counting) and uncertainties regarding activity data and emission factors are provided.
- 4.9 The actors engaged in the forestry sector are required to submit their declarations to EITI, and in particular regarding annual data on production and export, allowable cuts and forestry tax payments, for the creation of annual reconciliation reports by the independent administrator, on the basis of the commitments made by the country.
- 4.10 The management strategy for forest concessions that defines the measures to be taken with regard to companies that do not comply with the requirements of the legal and regulatory framework regarding management plans is established and implemented. The forest administration takes enforceable measures against non-complying companies.
- 4.11 A study of the social, economic (and environmental) impacts on the production-sharing system, provided for in the new forest law draft, will be conducted.

¹⁰ The revision of decree 2009-415 setting the scope, content and procedures for the study and environmental and social impact notice must take into particular account the compliance certificate, in regards to delivery time by the administration in charge of environment, as well as its duration, in light of the concern expressed by the private sector, in particular the mining and hydrocarbon sector.

4.12 A study of the provisions of the new forest code and their consequences for the VPA-FLEGT process will be conducted. The results of this study will enable the identification of the adjustments to be made to the VPA-FLEGT, in particular to the Legality Verification System. This study will moreover provide analysis elements for the development of the new code's implementing regulations.

December 2019 intermediate milestone

4.13 A regulatory text on the implementation of the low impact forestry norms is drafted in collaboration with the stakeholders, adopted and published.

5. Agriculture

December 2025 milestones

5.1 The agriculture law and its implementing texts are developed and adopted, taking into account:

- The non-conversion of HCS and HVC forests;
- The limited conversion of non-HVC and HCS forests, in keeping with the long-term cap on conversion (Milestone 1.6);
- The absence of conflicts from titles overlapping other land titles, PFE forests and "land use contracts," the provisions of the PNAT, the SNAT and the SDATs and the land law; and,
- Acknowledgement of and respect for customary and modern land rights.

The agriculture law and its implementing regulations are subject to a transparent consultative process involving all stakeholders before they are adopted.

5.2 Other measures will be taken on the agricultural conversion in forest areas, such as Order 9450/MAEP/MAFDPRP on agro-industrial plantations in savannah areas. The Government undertakes not to allocate any agricultural land to agro-industrial companies in peatlands and of more than five hectares in forest areas for the 2019-2025 period. ¹¹

December 2022 intermediate milestone

5.3 A transparent process to allocate agricultural and agro-forestry lands, in line with Milestone 5.1, is defined, adopted and evaluated by an interministerial committee.

5.4 Provisions rendering compulsory for agro-industrial businesses, holding titles to agricultural land in forest areas, to share with the forest and agriculture administrations the annual forecasts of the surface areas to deforest and those deforested, along with a cartographic

¹¹ In accordance with Order 9450/MAEP/MAFDPRP on agro-industrial plantations in savannah areas.

document, are included in a regulatory text of the law on the regulation of agriculture and the new forest law.

6. Mines and hydrocarbons

December 2025 milestone

6.1 A regulation is developed and adopted specifying the provisions for the collaborative allocation of land to mining and hydrocarbon operations and to build infrastructure projects. The allocations take into account the principles of preservation and sustainable management of HCS and HCV forests (see Article 1.a.iii and 1.a.iv), limited conversion of non-HSC and HCV forest areas (see cap defined in Milestone 1.6), and the provisions of the PNAT, the SNAT and the SDATs (Milestone 1.5).

In the event of titles overlapping with other land titles and existing “land use contracts,” the allocation procedure must ensure that the title holders are consulted properly and that agreements preventing any allocation conflicts are developed based on consensus via a free, informed, and prior consultation mechanism.

6.2 Exploration and development activities are carried out in accordance with the principles defined in Milestone 3.1, in particular, with the provisions for compensation for impacts on biodiversity and carbon.

Guidance documents and standards regarding the modalities for planning, exploration and development of mining and hydrocarbon activities with low impact on forests and peatlands are defined within the consultation framework, adopted and implemented. These standards will define the planning, exploration and exploitation modalities for mining and hydrocarbon activities when they take place in forest or peatlands areas to reduce their direct and indirect impacts on those areas. They will be ranked in the following order: (i) avoid impacts; (ii) minimize impacts; (iii) mitigate impacts; and, (iv) compensate impacts.

6.3 A regulatory framework regarding the implementation of norms for low-impact mining and oil exploration and exploitation is developed, with the established concertation framework (milestone 6.3).

December 2023 intermediate milestones

6.4 The Republic of Congo maintains its compliance with the EITI standard (i.e., the corrective measures defined by the EITI Board of Directors in June 2018 are implemented within the set timeline) and the EITI reports meet the requirements of the 2016 EITI standard and the code on transparency and accountability in public financial management.

6.5 An inclusive consultation framework (Government, private sector, civil society and technical and financial partners) is established and identifies solutions for reducing direct and indirect impact of mining and hydrocarbon activities on forest resources and peatlands.

7. Promotion of renewable energy sources

December 2025 milestone

7.1 The sectoral energy policy favouring sustainable alternatives to the consumption of fuelwood from non-renewable resources is implemented, in particular:

- Gas supplies are increased and the populations' access to them is facilitated;
- The establishment of forest plantations for the production of fuelwood and the use of improved cookstoves are encouraged; and,
- Energy supply master plans for Brazzaville and Pointe Noire are developed, validated and implemented.

December 2023 intermediate milestone

7.2 An analysis of fuelwood and gas consumption and their supply chain for the cities of Brazzaville and Pointe Noire is conducted, identifying potential alternatives that can reduce the need for non-renewable fuelwood.

8. Coordination and funding

December 2025 milestones

8.1 The regulations governing the composition of the community development management committees and the operating methods of the Local Development Funds (FDL) and Community Development Funds (FDC), including guidelines on the types of projects that will be funded and project financing methods and arrangements, are defined and adopted. These funds are involved in implementing sustainable forest management projects and zero-deforestation economic activities benefiting the communities.

8.2 The modalities for mobilizing domestic funds, both public and private, are identified and set up to co-finance implementation of the measures necessary to achieve the objectives of the Letter of Intent, the Investment Plan of the National REDD+ Strategy and the revised NDC including the LULUCF sector.

2023 intermediate milestones

8.3 A mechanism to coordinate implementation of the international agreements and conventions on climate and the environment is defined and operational. This will involve, in particular, setting up high-level governance systems, including the ministries for finance, planning, land-use planning, lands, forests, agriculture and mining, the monitoring officers and the focal points for the commitments in the areas of land use and sustainable natural resource management (including UNFCCC, NDC, REDD+, CBD, UNCCD, VPA-FLEGT and EITI) and related funding (including CAFI, GCF, Blue Fund and the GEF).

8.4 A system to monitor and evaluate implementation of the Investment Plan of the National REDD+ Strategy and the Letter of Intent is defined and operational. It will make it possible to monitor, evaluate performance and draft recommendations regarding:

- monitoring progress towards achieving the milestones of the Letter of Intent and, more generally, monitoring international LULUCF commitments;
- monitoring implementation of the Investment Plan of the National REDD+ Strategy through programmes funded by CAFI, but also by other sources of domestic and international funding; specific measures financed by these contributions will be integrated into the Letter of Intent monitoring plan; the results framework and the budget of the Investment Framework will be revised and updated annually to enhance/strengthen the programmes' alignment with domestic and international funding, both public and private, in the LULUCF sector, with the objectives of the Letter of Intent and with the Investment Plan of the National REDD+ Strategy;
- the progress and impacts of the various economic development support initiatives in the sectors targeted by the Investment Plan of the National REDD+ Strategy;
- the fund mobilization (domestic, international, public and private);
- the MRV system and the Safeguards Information System, in accordance with the UNFCCC guidelines; and,
- coherent national communications on GHG emissions (including the NDC, National Communication (NC), FREL and MRV).

- 8.5 A study regarding the implementation of an Independent Observation of the implementation of the Letter of Intent will be conducted. The report concluding this study will be approved by all stakeholders.
- 8.6 A preliminary study is conducted on innovative incentives to direct private sector investments to the sustainable management of natural forest ecosystems and biodiversity, forest and agro-forestry plantations, and zero-deforestation agriculture.
- 8.7 A dialogue based on a preliminary study is conducted on foreign direct investments (FDI) and how they inform and contribute to achieving the Sustainable Development Goals and commitments to preserve forest cover.
- 8.8 The National Determined Contribution (NDC), the National Communication (NC) and the biennial report (BUR)¹² are published. A multisectoral working group reviews the NDC, NC, BUR and FREL for coherence and compliance with UNFCCC guidelines before they are submitted. The NDC and CN are updated and published every four years; the BUR is updated and published every two years.

2020 intermediate milestones

- 8.9 A consultation framework is established between the Government and the private sector in order to take the appropriate measures to incite businesses to engage in REDD+.

2019 intermediate milestones

- 8.10 The consultation and monitoring mechanism involving the Government and CAFI, guided by the Prime Minister, is defined to ensure a high-level commitment by the cross-cutting and sectoral authorities responsible for implementing the milestones and jointly developing and validating the annual work plans, their indicators, recommendations and responsibilities. This consultation mechanism will be established based on lessons learned and experiences at the national level, similar to the Joint Implementation Committee through the VPA-FLEGT process.

¹² BURs provide an update of the information presented in NCs, in particular on national GHG inventories, mitigation actions, constraints and gaps, including support needed and received.

ANNEX 2 – CAFI BILATERAL FUNDING SOURCES

Letter of Intent partner countries and institutions	CAFI bilateral contribution
DFID/Great Britain	<p>As part of implementation of the Voluntary Partnership Agreement between the Republic of Congo and the European Union, the British cooperation agency (the Department for International Development, DFID) mobilized new financing to support the stakeholders in the process of change necessary to implement the VPA. Over the 2019-2021 period, it focuses on improving administrative management and compliance by the operators in the sector and on supporting the consultation process for developing regulations under the new forest law. This support will be implemented in partnership with the Agence Française de Développement (AFD).</p>
AFD/France	<p>The French Agency for Development (AFD) intends to support the Republic of Congo and submit a project supporting the Congolese land use planning strategy through:</p> <ul style="list-style-type: none"> - Institutional support to strengthen the different levels of the national land use planning plans and integrating aspects regarding vulnerable populations, tenure access and biodiversity; - Strengthening the forest governance via support to the forest administration as well as businesses for an effective implementation of the VPA-FLEGT requirements; and, - Support to the implementation of operational activities stemming from the first institutional component of the project. <p>This project contributes to the priorities of the REDD+ National Investment Plan of the Republic of Congo.</p>
German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)/Germany	<p>As part of its International Climate Initiative (IKI), the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) intends to support the “<i>Securing crucial biodiversity, carbon and water stores in the Congo Basin Peatlands by enabling evidence based decision making and good governance</i>” programme under development, which is to be implemented in the peatlands of the Central Basin of the Republic of Congo and of</p>

	<p>the Democratic Republic of the Congo by a consortium of organizations led by UN Environment and the FAO.</p> <p>This commitment, involving an aligned CAFI contribution, requires the BMU to issue final approval of the programme document, following a successful evaluation mission and a detailed analysis of the future programme proposal and of the budget allocations available.</p>
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