



Sustainable Financing of Protected Area Systems in the Congo Basin

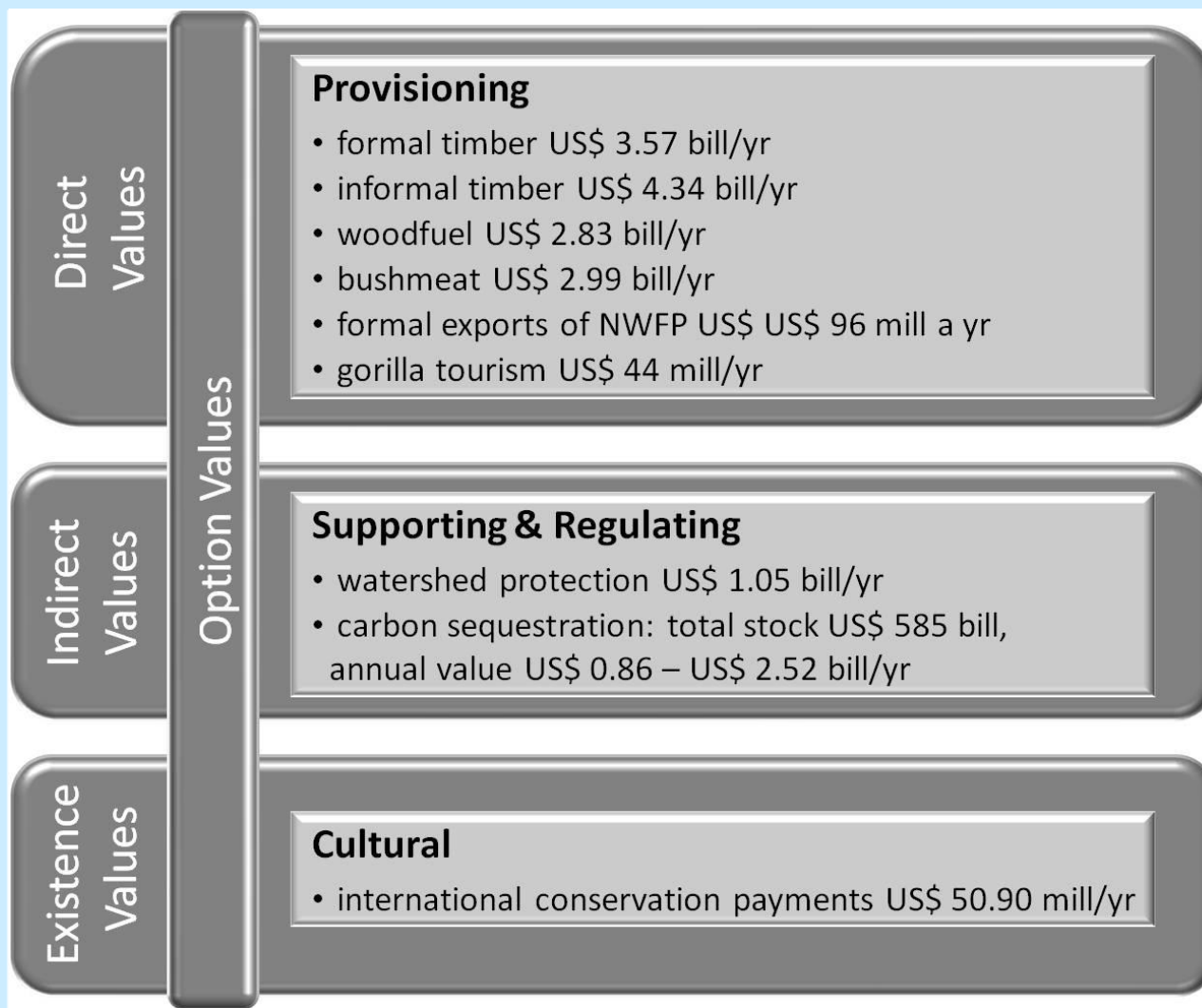
Comité Consultatif
Régional (CCR) - PFBC
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Context of the Project

- Congo Basin forests represent the second largest area of dense tropical forest in the world;
- Approximately 162 million ha. of dense forest, constituting a carbon sink estimated at some 47 billion tons;
- Well over 90% of the total area of the Basin is found within the Democratic Republic of Congo (DRC), as well as parts of the Republic of Congo, Cameroon, the Central African Republic, Equatorial Guinea and Gabon;
- Globally outstanding region in terms of biodiversity: 3,000 higher plant endemic species, African elephant, buffalo, together with endemic species such as the okapi, the bongo, the bonobo and the gorilla, Congo peacock etc.
- Immense economic value of the ecosystem services generated by this biodiversity

Summary of key Congo Basin forest ecosystem values



Protected Areas context

- Altogether, the six countries have thus far established at least **200 protected areas covering approximately 61.1 million hectares**;
- The **National Park** is the type of protected area covering the largest area (17,055,651 ha), followed respectively by **Hunting Area of Interest** (11,263,900 ha) and **Hunting Area** (10,112,606 ha);
- Many PAs in the region have a **legal framework** with strong protection against logging, agriculture and other forest destructive operations, have set up **PA agencies** providing for more effective protection and control of illegal activities;
- However these are mostly “**paper parks**”: very weak allocation of financial resources for PA management and protection by national Governments;
- As a result, PA systems within the Congo Basin operate at **extremely low levels of human and institutional capacity**, and receive only a **minimal proportion of the funding needed** to cover needed capital investments and basic operating costs

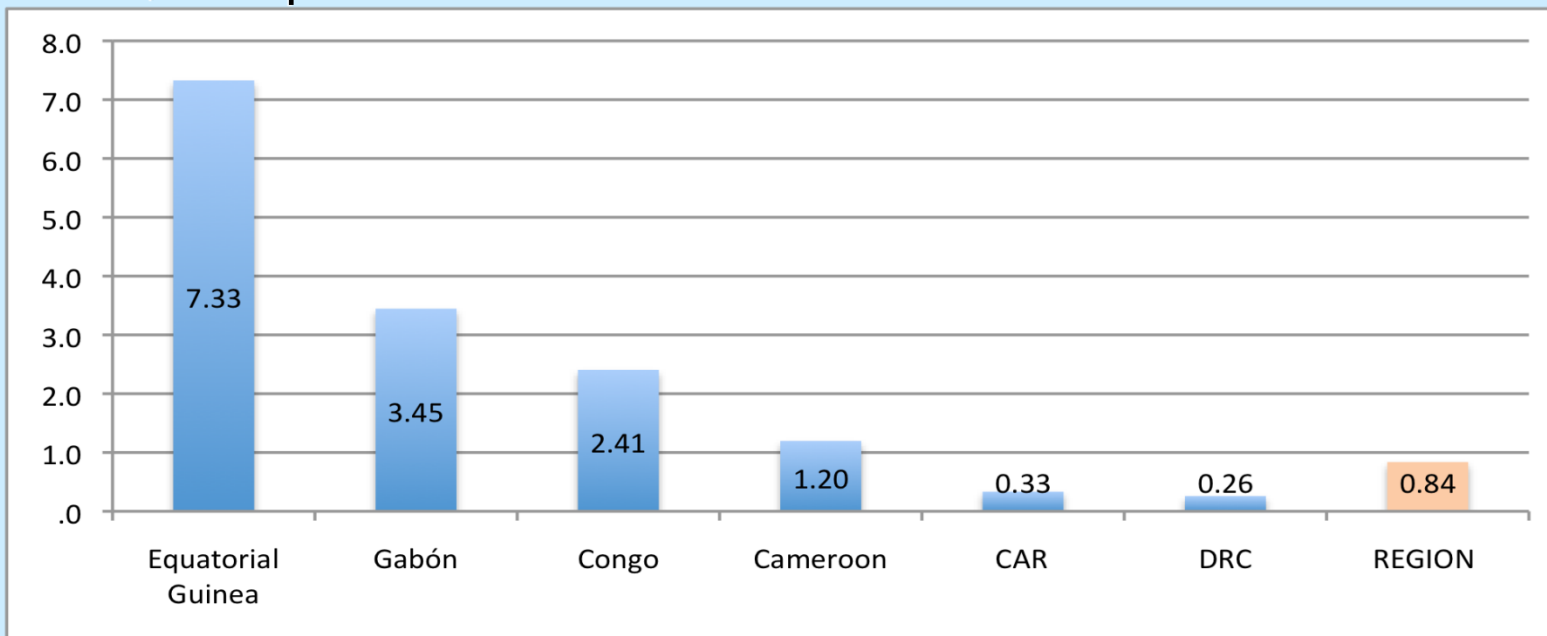
Financial status and needs of Congo Basin PA Systems

- In 2009, available funding for PAs in the Congo Basin totaled approximately **US \$50.9 Million**;
- Self-generated revenues represent a mere **5% of total funding**

Country	Total available funds for the PA system ^a	FUND SOURCES		
		Government funds specific for PA	International Cooperation	PA Revenues
Cameroon	10.860.000	3.000.000	7.000.000	860.000
CAR	5.965.200	1.012.737	4.019.141	933.322
Congo	8.552.901	2.286.792	5.884.222	381.887
DRC	6.631.248	1.001.808	5.423.872	205.568
Equatorial Guinea	4.894.122	4.193.872	700.250	0
Gabon	13.999.829	5.809.439	8.184.007	6.383
Total	50.903.301	17.304.648	31.211.492	2.387.160

Actual total PA spending per hectare

- Across the region, **total PA spending per hectare** equals **US \$0.84**; by comparison, PA systems in the **Amazon Basin** show an average per hectare spending estimated at **US \$1.55**;
- DRC and CAR present a critical financial scenario with less than US \$0.33 per hectare



PA operational and recurrent financial needs

Country	PA Operative and recurrent financial needs
Cameroon	\$16.434.899
CAR	\$33.913.608
Congo	\$3.462.021
DRC	\$29.067.586
Equatorial Guinea	\$1.669.768
Gabón	\$9.168.754
TOTAL	\$93.716.636

System level and institutional building financial needs

Country	Capital Investment financial needs (Conservative)	Capital Investment financial needs (Ideal)
Cameroon	\$78.656.869	\$125.064.421
CAR	\$155.086.472	\$246.587.491
Congo	\$30.819.418	\$49.002.875
DRC	\$221.617.502	\$352.371.829
Equatorial Guinea	\$5.790.013	\$9.206.121
Gabón	\$35.224.509	\$56.006.970
TOTAL	\$527.194.784	\$838.239.707

Long-term solution

- A biologically representative set of national and regional-level protected areas with the financial wherewithal and management capacities needed for effective and cost effective management.
- The foundation of the long-term solution is a sustainable financing system resting on the following three pillars:
 - i. **Legal, regulatory and institutional frameworks that support sustainable PA financing:** *support for revenue generation and retention by national PA system management authorities; financial planning and management; alternative institutional arrangements such as concessions, etc;*
 - ii. **Tools and practices for revenue generation and mobilization:** *take advantage of all existing and potential revenue mechanisms including donor funding, tourism concessions, controlled resource extraction, cost recovery mechanisms, PSE...*
 - iii. **Business planning and other tools for cost-effective management:** *financial planning, accounting, management and business planning tools, along with management effectiveness assessments*

Barriers

- **Legal, policy and institutional barriers** to innovative national and regional-level financial mechanisms and cost-effective operations;
- **Limited technical knowledge** to develop and implement new financing mechanisms for conservation of protected areas, buffer zone and corridors;
- **Limited human and institutional capacities** to absorb and disburse financial resources effectively and in a cost-effective manner.

Project strategy

- **Design principal = barrier removal**
 - i. Limited number, variety and efficacy of revenue generating instruments
 - ii. Non-existent or unclear institutional responsibilities for PA revenue retention and distribution
 - iii. Inadequate national laws, policies and regulations for sustainable PA financing
 - iv. No PA system-level strategies for PA financing
 - v. Low level of awareness and support for PA funding among public and corporate sector financial and economic decision-makers
 - vi. Limited capacities to identify, plan for and implement revenue generating mechanisms
 - vii. Few mechanisms to address issue of opportunity costs burdening local communities in the vicinity of PAs

Project Objective

« To have in place capacities, institutional frameworks and model mechanisms for the long term financial sustainability of PA systems and associated ecosystems within six Congo Basin countries »

Project expected outcomes

- **Outcome 1:** Legal, policy and institutional frameworks to support and enable sustainable conservation financing designed at national and regional levels
- **Outcome 2:** Enhanced /innovative revenue generation, management and disbursement mechanisms piloted
- **Outcome 3:** Business planning and cost effective management tools applied at PAs and associated landscapes

Outcome 1: Legal, policy and institutional frameworks for sustainable conservation financing established at national and regional levels

- **Output 1.1:** New / updated laws, policies and regulations required for sustainable financing of protected areas;
- **Output 1.2:** Increased awareness and direct support for PA funding and PA financing mechanisms among public and corporate sector financial and economic decision-makers;
- **Output 1.3:** Institutional responsibilities and commitments for PA revenue retention and distribution procedures agreed and operationalized at national level and in selected demonstration sites

Outcome 2: Enhanced /innovative revenue generation, management and disbursement mechanisms piloted

- **Output 2.1:** PA managers and other stakeholders equipped to identify, plan for and implement new revenue generation and disbursement mechanisms;
- **Output 2.2:** Appropriate and sustainable PA revenue mechanisms developed and demonstrated at pilot sites and at national levels;
- **Output 2.3:** Appropriate and sustainable disbursement/allocation mechanisms developed and piloted at national level and in selected demonstration sites

Most promising revenue generation and disbursement mechanisms in the region

- i. **Payment for watershed services** (under development in Gabon, Cameroon);
- ii. **REDD payments** (some pilots in DRC);
- iii. **Biodiversity offsets** (ex. FEDEC, Cameroon);
- iv. **Sustainable biodiversity-based enterprises** (ex. high end gorilla tourism lodge in Rwanda); certified timber production in DRC);
- v. **Corporate contributions or sponsorship** (ex. Mining company COMILOG in Gabon);
- vi. **Tourism and hunting charges**;
- vii. **Taxes or levies on other sectors** (ex. CAS-DF in CAR);
- viii. **Trust funds** (ex. FEDEC);
- ix. **Community revenue sharing** (ex. TNS).

Recommended revenue generation and disbursement options for Congo Basin countries

“Most promising” for inclusion in project

Payments for watershed services	High	Most suitable for development in watershed PAs, as single-buyer schemes
REDD payments	High	Although there remains a great deal of uncertainty as to REDD/REDD+ opportunities and modalities during the project period, its high profile and wide interest in Congo Basin countries suggest that it should be included
Biodiversity offsets	High	Project should build on existing experiences, focusing on extractive industries
Sustainable biodiversity-based enterprises	High	Also encompasses tourism, hunting, private investment and community revenue-sharing mechanisms (see below)
Taxes and levies on other sectors	High	Project should focus on working with Ministries of Finance, also encompasses tourism, hunting, private investment and community revenue-sharing mechanisms
Trust funds	High	Project should focus on supporting existing/planned trust funds
Community revenue-sharing	High	Project should focus on introducing new models, and on improving the implementation of existing arrangements

May be suitable for further development in project

Corporate contributions or sponsorship	High	Could be investigated for suitable PA sites and species; is not included as a core mechanism, but project activities suggest that some efforts are made to solicit corporate funding
Tourism and hunting charges	Medium-High	Should be covered as part of sustainable biodiversity-based enterprises and fiscal reallocations (see above)
Private direct investment	Medium	May be most appropriate in combination with sustainable biodiversity enterprises (see above)
Other forest carbon finance arrangements	Medium	Voluntary markets, if further developed, may provide opportunities
Debt-for-nature swaps	Low	Expensive, time consuming and complex to negotiate – project should limit itself to supporting accessing of PA funding from existing debt swaps

Outcome 3: Business planning and cost effective management tools applied at PAs and associated landscapes

- **Output 3.1:** Economic valuation used to define PA financing needs, opportunities and justification to development planners in selected demonstration sites;
- **Outcome 3.2:** Systems and capacities to enable business planning of PAs, corridors and buffer zones;
- **Output 3.3:** Systems for operational, transparent and useful accounting and auditing systems for PAs and community managed corridors and buffer zones identified and piloted at selected demonstration sites;
- **Output 3.4:** Systems for monitoring and reporting on financial management performance to ensure accountability identified and piloted at demonstration sites

Expected Project Financing (US \$)

Funding Source	Cash	In-kind	Total
GEF grant	8,182,000		8,182,000
Co-financing Source			
Project Governments Contribution	600,000	5,500,000	6,100,000
GEF Agency (UNDP)	600,000		600,000
GEF Agency (AfDB)	30,000,000		30,000,000
Bilateral and Multilateral Aid Agency(ies) (French Government, German Government, Belgium Government, CBFP, TNS Foundation, etc.)		10,000,000	10,000,000
NGO (WWF, WCS, etc.)	1,000,000	2,000,000	3,000,000
Others		900,000	900,000
Total co-financing	40,382,000	18,400,000	58,782,000

MERCI!!!!!!

