



UNEP

United Nations Environment Programme

**STUDY ON
ESTABLISHING THE CONGO BASIN FOREST
FUND (CBFF)
Governance Structure**

Final Draft Report

(27 May 2008)

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ACKNOWLEDGEMENTS

This report has been produced thanks to UNEP in Nairobi, not only for financing the report producing, but very significantly for the technical contributions and guidance in the process. Noteworthy here is the special role of Mr. Ibrahim Thiaw, Director of the DEPI and the professional staff of DEPI, ROA, the Treasury/Finance Department, and Mr. Serge Bounda of the UNEP ad-hoc Support Unit to the Goodwill Ambassador of the Congo Basin Forest Ecosystems /Co-Chair (Prof. Maathai) and Task Manager for the production of this report. Thanks to the very significant contributions during discussions at the working dinner chaired by the Co-Chairs, Hon. Paul Martin and Hon. Professor Wangari Maathai in Tunis on the 22/02/08 in which participated Representatives from UNEP, the AfDB and DFID – at this working dinner, invaluable information/proposals were presented on the CBFF which greatly contributed to the contents of this report.

The very frank opinions and views of high Government officials in Cameroon, the Congo Republic, the Democratic Republic of Congo and Gabon, on the Governance Structure of the CBFF, presented during discussions at meetings in these countries are highly appreciated – the views and opinions have been invaluable in the production of this report. Very special recognition and appreciation is made here for the very informed and articulated contributions of His Excellency Henri Djombo, Minister of Forest Economy of the Republic of Congo, when he accorded audience to the UNEP consultant in Brazzaville, on 18/04/08, and to His Excellency Ngolle Ngolle, Minister of Forestry and Wildlife of Cameroon who had a teleconference with the UNEP consultant, for discussions on the Governance Structure and management of the CBFF.

Special thanks and appreciation go to the officials and specialists of bilateral/international organisations with whom the consultant had frank and invaluable discussions through teleconferencing and during meetings in their Country Offices/Delegations in Brazzaville, Kinshasa, Libreville, and Yaoundé, on their opinions and views on the Governance Structure and management of the CBFF, views that have been reflected in this report. In this respect, special mention is made of the contributions of Mr. Hans Schipulle, Chair of the CBFP, DFID Officials/Consultants, French Cooperation Officials/Experts, the GTZ Experts, H.E. Mr. Hans-Dietrich BERNHARD – the German Ambassador in Libreville, and representatives of IUCN, WWF, and CARPE in Yaounde and Libreville.

The views/opinions of representatives of Sub-regional Organisations in Central Africa on the Governance Structure and Management of the CBFF are highly appreciated and hereby acknowledged - especially the ECCAS, COMIFAC, ADIE, and RAPAC, all of which have invaluable contributed to the production of this report.

Last but not least are the very invaluable views/opinions of Civil Society Organisations and the Private Sector that were consulted in the countries of the Congo Basin visited. Mention must be made here that the Private Sector expressly stated that they are glad to come on board in the process as “part of the solution” and not only as “part of the problem”.

ACRONYMS

ADIE	Agency for the Development of Environmental Information in Central Africa
AEO	Africa Environment Outlook Report
AFDB	African Development Bank
CAR	Central African Republic
CARPE	Central Africa Regional Programme for the Environment
CBFF	Congo Basin Forest Fund
CBFFP	Congo Basin Forest Partnership
CCU	Country Coordination Unit
CEFDHAC	Conference on the Dense Moist Forests of Central Africa
CIFOR	Centre for International Forestry Research
COMIFAC	Central African Forest Commission
CSOs	Civil Society Organisations
DFID	Department of International Development (UK)
DRC	Democratic Republic of the Congo
ECCAS	Economic Community of Central African States (“CEEAC”)
ECOFAC	Central Africa Forest Ecosystem Programme
CBOs	Community-based Organisations
CD	Coordinator-Delegate
CTAC	Consultative Technical Advisory Committee.
ETF	Environmental Transformation Fund
EU	European Union
FAO	Food and Agricultural Organisation of the United Nations
GC	Governing Council
GDP	Gross Domestic Product
GEF	Global Environment Facility
GM	Global Mechanism
GNI	Gross National Investment
GTZ/BMZ	German Technical Cooperation
IPTRID	International Programme for Technology and Research in Irrigation and Drainage
ITTO	International Tropical Timber Organisation
IUCN	International Union for the Conservation of Nature
MoUs	Memorandum of Understanding
MP	Member of Parliament
NCUs	National Coordination Units
NEAPs:	National Environmental Action Plans
NGOs	Non-Governmental Organisation
NSC	National Steering Committee
PRGIE	Regional Programme for the Management of Environmental Information

PSOs	Private Sector Organisations.
RAPAC	Network of Protected Areas in Central Africa
REDD	Reduction of Emissions through Deforestation and Degradation
RIFFEAC	Network of Forestry and Environmental Training Institutions in Central Africa.
RMC	Regional Member Country
SC	Secretariat Coordinator
UNCCD	United Nations Convention to Combat Desertification
UNEP	United Nations Environment Programme
UNESCO	United Nations Education, Scientific and Cultural Organisation
USAID	United State Agency for International Development
WCS	World Conservation Society
WWF	World Wide Fund for Nature
WWF/CPO	World Wide Fund for Nature/Country Programme Office

PREFACE: CONTEXT AND JUSTIFICATION OF THE STUDY

The UK Government, in 2007, announced the availability of the sum of USD100 Million for the establishment of the Congo Basin Forest Fund (CBFF) for the conservation and sustainable management of the forest ecosystems of the Congo Basin. In order to gain time before the announced commitment became operational, the UK Government made available the sum of USD16 million as start-up fund to enable the take-off of the CBFF. The UK contribution is meant to support the on-going process of promoting the conservation and sustainable management of the forest ecosystems of the Sub-region and to contribute towards poverty alleviation, a process that is to be achieved through the implementation of the Central African Forest Commission's (COMIFAC's) Convergence Plan, in collaboration with the Congo Basin Forest Partnership (CBFP) process. To this effect, the British Prime Minister, Hon. Gordon Brown, designated Hon. Paul Martin, former Canadian Prime Minister and Hon. Professor Wangari MAATHAI, 2004 Nobel Price winner, as Co-Chairs to carry out consultations with major stakeholders including those in the Congo Basin countries in order to define, in collaboration with different partners of the CBFP, the Governance Structure for the Trust Fund. The stated British contribution would be available as from March 2008. Within that context, the 5th Meeting of the CBFP in Paris was a unique opportunity for DFID to present the state of advancement in the reflections on the CBFF following the first consultations.

Hon. Prof. Wangari, supported by the Congolese Minister of Forest Economy, H.E. DJOMBO Henri, initiated lively discussions between COMIFAC Ministers on the subject of the Governance Structure for the Congo Basin Fund (CBFF), but they did not arrive at a general consensus. These discussions centred on: i) the composition of the Congo CBFF Governing Council and Management Committee; ii) the role of the World Bank and the African Development in hosting the CBFF; and, iii) the risks (possibility) of marginalising the COMIFAC Executive Secretariat in the management of the Fund. These fears/concerns arose as there were proposals to host the CBFF outside the

COMIFAC H/Qs. It was for this reason that UNEP, as a neutral body, was designated by the CBFP stakeholders to carry out a study to propose a Governance Structure for the CBFF to be discussed and agreed upon during the occasion of the launching of the Fund planned to take place in London during the month of June 2008.

Several governments officials like Ambassador Stefanini, outgoing facilitator of the CBFP speaking on behalf of the French government stressed the need for the UK government not to work in isolation, but to join the legal framework of the Congo Basin initiative comprised of COMIFAC, CBFP and other Sub-regional specialised institutions and civil society organizations in the process. In this context and to ensure that the consultations process aiming to set up the Governance structure of the CBFF would meet the consent of all the stakeholders, the United Nations Environment Programme (UNEP) was designated to conduct further consultations on the establishment of the Governance Structure of the CBFF.

In this regard, and on behalf of CBFP members, a formal request was sent to UNEP by Hon. Prof. MAATHAI, Co-Chair of the CBFF, requesting UNEP to take the lead in conducting this study. The terms of reference of the consultancy (see annex 1) were circulated and endorsed by CBFP stakeholders in order to start building a consensus about the future findings resulting from this assignment.

Setting up the governance structure of a multi-donor fund is a long process as several consultations are required at the level of major stakeholders, especially at the level of Congo Basin countries who are the custodians and beneficiaries of the funds finances, in order to suggest the most appropriate structure that would compromisingly meet the expectations of all stakeholders.

As several COMIFAC countries have expressed their concerns about the slowness to have access to the USD 100 million announced by the U.K. Government, an additional “Start-up Fund” of USD16 million was made available by the U.K. Government to speed-up the start of the operations of the CBFF. As the need to expedite the setting up of

the CBFF arose, it was agreed between UNEP and DFID in March 2008, that DFID would propose the composition of an interim Governance structure for the Start-up Fund and share with UNEP that was carrying out the study on establishing the final structure of the CBFF. It is emphasised here that the two processes were meant to be complementary and to arrive at a result that will be submitted for approval by all major stakeholders concerned, i.e., the Governments of Congo Basin countries and Sub-regional Organisations, the Funding Agencies, the Congo Basin Forest Partnership (CBFP), the African Development Bank (AfDB), the United Nations Environment Programme (UNEP), bilateral/international organisations involved in forest management in the Congo Basin, etc.

The announced initial financial commitment and the available start-up fund by the U.K. Government for the CBFF are intended to be catalysts that will elicit additional significant contributions from COMIFAC member countries and other bilateral and international donors for the internationalisation of the CBFF.

EXECUTIVE SUMMARY

Introduction

1. The forest ecosystems of the Congo Basin, the second largest tropical forest ecosystem in the world, constitute very rich and diversified sanctuaries for biodiversity conservation and are of extreme socio-economic, livelihoods and cultural importance and values to local communities of the zone and ecosystems functions and services to the entire global community.

2. Unfortunately these forest ecosystems are severely threatened, degraded and some being lost due mainly to both natural events and unsustainable anthropogenic human activities. The main threats that lead to forest ecosystem degradation and even to loss in forest cover include: a) deforestation and vegetation removal due to unsustainable commercial exploitation; b) clearance for plantation agriculture and peasant slash and burn agriculture practices; c) climate change/climatic variation; etc. However, a lot of concerns, initiatives and processes have been taking place in varying degrees of success to address the situation by the governments of the countries of the Congo Basin with assistance from various bilateral/multilateral donors and organisations.

Challenges of Forest Ecosystem Conservation and Sustainable Development.

3. There are a number of challenges facing the conservation and sustainable management of the Congo Basin Forest ecosystems. These challenges are to be found in policy, environmental, governance, poverty, programme/project financing, and the human resources capacity in terms of absolute numbers and professional training needed for effective programme/project management in the forestry sector in the Sub-region.

4. These challenges have been of concern to national, sub-regional and bilateral/international organisations that have been putting in place varying projects and

financial mechanisms in efforts to address the situation, but which have been far from adequate to effectively find solutions to the enormous problems being encountered in achieving the conservation and sustainable management of forest ecosystems in the sub-region, thus the need for additional and more concerted efforts on the part of all stakeholders working together.

Objectives of the Congo Basin Forest Fund

5. The main objectives of the Congo Basin Forest Fund (CBFF) is to contribute to slowing down the rate of deforestation by developing the capacity of people and institutions in the Congo Basin countries to manage their forests, and help local communities find livelihoods that are consistent with the conservation and sustainable management of the forest ecosystems. These actions will also contribute to the enhancement of forest ecosystem functions and services for the benefit of the Sub-region, Africa and the world community as a whole.

The Congo Basin Forest Fund Process.

6. The on-going process for establishing the CBFF is to strengthen the joint efforts, initiatives, contributions and participation of Governments of countries of the Congo Basin in promoting the conservation and sustainable management of the forest ecosystems of the Congo Basin, through their inter-governmental organisation, “Central African Forest Commission” (COMIFAC). The organisation was created by a Treaty signed in Brazzaville, Republic of the Congo, on the 5th February 2005, and is managed by a Secretariat headed by a politically appointed Executive Secretary.

7. The COMIFAC Secretariat implements its activities through agreements and Memoranda of Understanding with some specialised Sub-regional Collaborating Institutions in the Congo Basin. The Economic Community of Central African States (ECCAS) appointed the COMIFAC Secretariat as one of its specialised Agencies.

8. A number of very significant milestones have been recorded in the CBFF process, including: a) Working Session in London between Hon. Prof. Maathai, H. E. Minister

Henri Djombo, the U.K. Treasury Secretary and DFID Officials on the establishment of the Fund; b) Announcement by Mr. Gordon Brown of the U.K. of the USD1.5 billion committed by the UK and the additional USD100 Million for a “Start-up Fund” for the CBFF; c) the appointment of Hon. Paul Martin and Hon. Prof. Wangari Maathai as Co-Chairs of the CBFF, and Hon. Barry Gardiner as PM’s special envoy on forests with responsibility to work closely on the establishment of the CBFF; d) Discussions and Consultations between the Co-Chairs, some Heads of State and Ministers of Congo Basin countries, and COMIFAC on the establishment of the Fund; e) Co-Chairs meeting with the UN Secretary General, Mr. Ban Ki-Moon to discuss the CBFF; the Conference of the Congo Basin Forest Partnership (CBFP) in Paris where the vision of the CBFF was presented by Pr. Maathai and discussed during the Plenary Session of the Partnership; f) intensive consultations between DFID and the AfDB on the establishment of the CBFF to be hosted at the Bank; g) the recruitment by UNEP of an independent consultant to carry out consultations among members of the CBFFP and from that process produce recommendations for a governance structure for the CBFF which will be presented for discussion among members of the CBFFP for approval; h) the Tunis “International Conference on Financial Mechanisms for the Sustainable Management of Congo Basin Forest Ecosystems” held at the African Development Bank, the outcome of which was the “Tunis Declaration” which contained the commitments of representatives of all participating stakeholders to work together in promoting the conservation and sustainable management of the forest ecosystems of the Congo Basin, through putting in place appropriate financial mechanisms and other necessary resources to strengthen COMIFAC; i) the Tunis Declaration upheld the process of setting up of a “Special Fund for the Forests of Central Africa at the African Development Bank”; j) the Co-Chairs have continued with fundraising consultations that are bearing fruit (see item 9 below).

Internationalisation of the Congo Basin Forest Fund.

9. The initial announced financial commitment and the start-up fund for the CBFF made available by the British Government is intended to be a catalyst that will elicit additional significant contributions from other bilateral and multilateral donors, including

the governments of the countries of the region – thus internationalising the Congo Basin Forest Fund to support COMIFAC member countries in the pursuit of implementing the Convergence Plan.

Perceptions on the Management of the Congo Basin Funds

10. Consultations were carried out by the UNEP consultant with high-level representatives of Congo Basin country Governments, Sub-regional organisations including ECCAS and COMIFAC, bilateral/international organisations and programmes, Civil Society and the Private Sector in Cameroon, the Democratic Republic Congo, the Republic of Congo, and Gabon, to obtain their perceptions and opinions on the Governance Structure (GS) and system of Management of the CBFF Secretariat that should be put in place.

11. Consultations also took place in Nairobi with UNEP officials, in Tunis with AfDB Officials, and through teleconference with DFID Officials, to obtain their views and positions on the Governance Structure and management of the CBFF.

12. The general perceptions and views on the Governance Structure and functioning of the CBFF were that the GS should be light and flexible to enable easy access to funds and resources of the Fund.

13. In terms of selection of the Governing Council (GC) members, some stakeholders had the view that there should be political representation while some held the view that membership should be based on professional competence, integrity, knowledge of the issues, devotedness, and should not be subject to any national political influence.

14. The Roles/responsibilities of the GC should be limited to political oversight, policy, strategic planning, and decision-making while operational day to day issues should be responsibility of the CBFF Secretariat. The CBFF process should also promote and contribute towards Sub-regional integration through its policies and decision-making mechanisms.

15. As concerns the CBFF Secretariat there were divergent views/opinions concerning the location, roles and responsibilities. Representatives of Government, Sub-regional organisations argued for the CBFF Secretariat to be located in Yaounde within

or near the COMIFAC Secretariat because of the important role of capacity building that the former is expected to play for the benefit of the latter. The bilateral/international funding agencies favoured the location of the CBFF Secretariat at the AfDB in Tunis and managed as a Department or Unit of the Bank and using the AfDB structure in the Sub-region.

16. The Council of Ministers of COMIFAC member countries had decided that fully equipped National Coordination Units (NCUs), in terms of technical staff, office equipment and working facilities, be established in their respective countries, and the Unit has to be working full-time on COMIFAC activities in the country. Suggestion was brought for the establishment of multi-stakeholder ad-hoc National Steering Committees (NSC) to be working hand-in-hand with the NCU.

17. The Perceptions of UNEP is that the Governance Structure for the CBFF should be similar to the successful example of the African Water facility but modified to the exigencies of sustainable forest ecosystems management in the Congo Basin Sub-region.

18. The Position of the AfDB on the Governance Structure for the CBFF which has accepted to host and manage the Fund is that the management of the Fund will have to be within the Policies, rules and regulations of the Bank – however, ways are being worked out to have flexibility and shorten procedures for access to funds of the CBFF by the target groups.

Membership of the CBFF Governance Structure

19. The starting point for the CBFF is the putting in place of a Governance Structure (GS) for the fund at both the decision-making and management levels. The Tunis Declaration of 21 – 22 February 2008 gave mandate to the African Development Bank (AfDB) to host as manager, be the catalyst, and be the coordinator of new funding for the Congo Basin forest ecosystem conservation and sustainable management.

20. The general conclusions from consultations with major stakeholders are that the GS must fulfil the following criteria: a) be light so as to be effective, efficient and avoiding unnecessary red-tape in handling CBFF dossiers; b) be competent and duty-conscious; c) be politically credible; and, d) be the linkage mechanism for making the

CBFP and the COMIFAC Secretariat more actively visible at country level. These criteria are crucial for the general credibility of the GS when assessed/evaluated by major stakeholders.

21. On the basis of the consultative discussions carried out with the various stakeholders during visits to four countries in the Congo Basin, at UNEP in Nairobi and AfDB in Tunis, two scenarios that converge the divergent views/opinions and positions are presented in this report for examination and final decision.

22. One scenario is for a GC of 7 members made up of the 2 Co-Chairs, the COMIFAC President representing Country Governments, the Secretary General of ECCAS, the Congo Basin Forest Partnership Facilitator, a Civil Society Organisation (CSO) Representative and Private Sector (PS) Representative. This scenario is for the option where representation is based on professional expertise consideration.

23. The other scenario is for a GC of 10 members made up of the 2 Co-Chairs, the COMIFAC President, 2 Representatives from country members, the Secretary General of ECCAS, the Congo Basin Forest Partnership Facilitator, a Funding Agency representative, one CSO Representative and one Private Sector (PS) Representative. This scenario considers political representation.

24. In both scenarios, provision is made for the participation of Ex-Officio Members representing donor/bilateral/International Organisation, COMIFAC Secretariat and the AfDB/CBFF Secretariat. Proposals are also made on the process of the selection of the members of the GC and the approval/validation of membership of the Council.

The CBFF Secretariat

25. The same as for the GC there were contentious views as to the location and roles of the CBFF Secretariat. These views have been converged into two scenarios as follows:
i) The CBFF Secretariat is located at the AfDB in Tunis as a Department or Division of the AfDB in Tunis where the Bank is the CBFF Project Manager having full Managerial Responsibilities in the CBFF, with Bureaux in Yaounde and Kinshasa. In this case it is called the AfDB/CBFF Secretariat at the level of a Department or Unit that is integrated into the organisational set-up of the Bank, although under a special status agreed upon

with the Governing Council under “Memorandum of Understanding” or some form of ‘Contractual Arrangements’ whereby the Bank assumes both Technical and Financial Management Responsibilities of the CBFF - this is the position of the AfDB.

ii) The AfDB is the CBFF Manager, but the AfDB/CBFF Secretariat is decentralised to the COMIFAC Secretariat in Yaounde. Under this scenario, the AfDB still has the role and responsibility of the Fund management, but the bulk of the work of the AfDB/CBFF Secretariat is decentralised to have relative autonomy and is located within the COMIFAC Secretariat in Yaounde to work hand-in-hand with the COMIFAC Team – this scenario is most favoured by the Government Officials and Sub-regional representatives interviewed. This scenario requires that the COMIFAC Secretariat should have a Technical team of qualified, experienced, competent and devoted staff in its Secretariat to act as counterparts to the Advisers from AfDB and the Franco-German Technical Advisers, but unfortunately for now COMIFAC does not have that capacity.

Management of the Congo Basin Fund

26. The AfDB will operate and manage a separate account for CBFF activities. This will require the production of a Management Manual that will be approval by the GC, AfDB, Funding Agencies and COMIFAC. An Operational Manual is being developed by the Bank and this will elaborate on how the CBFF funds will be managed.

27. The CBFF to participate in, and be a contribution to, existing processes including the Franco-German cooperation, in supporting the activities of both the COMIFAC Secretariat and National Coordination Units, and in the mobilisation of funds from several possible sources for the conservation and sustainable management of the Congo Basin forest ecosystems and contribute towards poverty alleviation efforts in the Sub-region. In this respect, the urgent need to reform and restructure the COMIFAC Secretariat was expressed by most major stakeholders consulted. On the other hand, it is expected that a very high percentage of the CBFF financing will go directly to the funding of projects in the field rather than being consumed through some “indirect expenditures” by the Funding Agencies, yet calculated as being part of the financing for the CBFF.

28. A small grants system, managed through a special window, opened for CSOs, would be ideal for their level of activities because it would be unfair to treat Civil Society Organisations on the same standards as other institutions.

39. In terms of the use of the CBFF, this will specifically be focused on the implementation of the COMIFAC Convergence Plan. However, for the Start-Up Fund, three Strategic Area activities have been pre-selected by DFID for project funding: i) Strategic Area 2: Knowledge of the resource; ii) Strategic Area 6: Development of alternative activities and poverty alleviation; iii) Strategic Area 9: Development of funding mechanisms;

30. Applications for funding of projects will be developed based on projects identified within the COMIFAC Convergence Plan Strategic Areas. There was insistence from representatives of Governments and Sub-regional organisations that Governments must endorse all applications for funding before they are forwarded to the CBFF Secretariat for necessary action. Stakeholders concerns on the routing of applications for funding have been compromised into two scenarios that are proposed here, taking into consideration the organisational scenarios for the Governance Structure: i) scenario 1 is where the applications are sent direct to the AfDB/CBFF Secretariat located at the AfDB; ii) for scenario 2, Funding applications are sent through the NCU to COMIFAC Secretariat which then forwards with recommendations to the AfDB/CBFF Secretariat for final action as necessary.

31. The criteria and process for project selection should include: a) conformity with CBFF's overall objectives; b) conformity with Convergence Plan; c) technical and financial feasibility and sustainability; etc.

32. Implementation Agencies will include governmental, civil society, community-base organisation, research, universities, etc. - at national and Sub-regional levels carrying out activities within the domain of forest ecosystem management. Two methods are proposed for the screening of applications for funding: a) a short-listing system; b) a call for expression of interest system – the CBFF management to decide.

33. Reporting on activities, monitoring and evaluation will follow the Governance Structure decided upon – notwithstanding, the NCUs and COMIFAC Secretariat should in one way or the other be involved in the process.

Conclusions

34. The Governments of the countries of the Congo Basin have demonstrated adequate political will to move forward towards the conservation and sustainable management of the forest ecosystems of the Sub-region through their activities as agreed within COMIFAC and the CBFFP – these are very positive moves on which the CBFF should capitalise on, in order to get the process moving.

35. The initial commitment of financing and the start-up fund for the CBFF announced and made available by the British Government has been a catalyst intended to elicit additional significant contributions from other bilateral and multilateral donors for the internationalisation of the Fund with a long-term perspective.

36. There are many donors in the forestry sector in the Congo Basin, but thanks to the efforts of CBFFP and COMIFAC member Governments, measures towards harmonisation of multiple donor activities is progressing. The CBFF process is one opportunity to reinforce the process of forest policy harmonisation among Congo Basin countries, more donor support and harmonisation of their funding activities in the Congo Basin, as well as strengthening the COMIFAC Secretariat.

Recommendations - Key Issues for Consideration

37. COMIFAC capacity should be build by associating it at an earlier stage within the CBFF Process. ECCAS should recruit a professional staff for COMIFAC that should be seconded to the CBFF Secretariat in Tunis as part of the capacity building process.

38. Donor countries should leave the full ownership of the CBFF to the Governing Council and COMIFAC country members in order to guarantee internalisation of the Fund. On the other hand, to guarantee the internationalisation of the Fund, DFID should gradually disengage itself in the management of the CBFF Secretariat and hand it over to the AfDB. This formula would avoid the confusing, if not chaotic, situation where each donor comes with their positions and conditionality.

39. For openness, transparency, efficiency and full endorsement by all stakeholders, the Final Governing Structure of the CBFF may be negotiated between the Co-Chairs, the President of COMIFAC, the Funding Agencies, AfDB, UNEP, the CBFP Facilitator and the Secretary General of ECCAS, and then presented to the COMIFAC Council of Ministers for validation during their meeting in September 2008.

40. There is very urgent need to review the statutory standing of the COMIFAC Secretariat, as this may certainly require reform and restructuring so that appointments to positions in the Secretariat should not be based on political considerations, but on professional qualifications, experience, competence, and managerial capabilities. Therefore, the on-going process of the harmonisation of forest policy and institutional change within COMIFAC country members should include the reform/restructuring of the COMIFAC Secretariat to enable that organisation be capable to effect good project formulation, design, evaluation and monitoring so as to achieve a high level of efficiency and effectiveness in the execution of activities. The possibility of decentralising the COMIFAC Secretariat to have Delegations in member countries to be working with the NCUs should be considered.

41. A study to re-profile and modernise the COMIFAC Secretariat and to transform it into a technical body with full expertise should be conducted for the organisation to fulfil its mandate fully according to the new challenges (climate change, REDD) and to enable it to meet present-day exigencies. The COMIFAC President can make request for funding such a study to UNEP, the AfDB and/or the CBFP Facilitation.

42. Clear Strategies for innovative financing approaches and long-term funding commitments are required for effective conservation and sustainable management of Congo Basin forest ecosystem. Therefore the CBFF should take advantage of multilateral funding possibilities such as the Carbon Fund, REDD, etc., while providing positive incentives for forest management activities – these would be enhanced by appropriate legislative action at the level of individual COMIFAC countries .

43. It is important for the Congo Basin countries to ensure, at the very beginning, that provision is made for Counterpart Funding in their national budgets and integrated into their national development plans as this would be an important determinant factor in what

happens after the three-year pilot phase of the U.K. funds, and any other financing which may come in during that period, for the CBFF project.

44. The establishment of National Forestry Trust Funds in which individual countries would invest while looking for bilateral/international assistance should also be studied.

45. A smooth transition from the three-year pilot phase to the long-term management of the forest ecosystem of the Congo Basin is very necessary so that momentum is not lost as forest management requires long-term planning and implementation. Part of this would include the periodic evaluation and update of the Convergence Plan because the plan must be put into a dynamic perspective.

THE CONGO BASIN FORES FUND GOVERNANCE STRUCTURE

Final Draft Report

(May 2008)

1. OVERVIEW

1.1 Introduction

The forest ecosystems of the Congo Basin make up the second largest tropical forest in the world, next only to the Amazon forest ecosystems. The Congo Basin forest ecosystems constitute very rich and diversified sanctuaries for biodiversity conservation and are of extreme socio-economic and cultural importance and values to both local communities of the zone and to the entire global community. As a great sanctuary for biological diversity of regional and global importance, the Congo Basin forest: a) Perform Ecosystems Functions that include: i) climate regulation, regulation of the hydrological systems, erosion regulation, and even natural hazard regulation; ii) supporting soil formation, nutrient cycling; b) Render ecosystem services that include: i) provision of shelter/building materials; ii) provisioning - food, fresh water, fuel/energy, medicinal plants; c) Forest ecosystems of the Congo Basin constitute nature's bountiful and renewal natural resources that are an integral part of the environment in which the people live, and from which the people derive socioeconomic services that include: i) livelihood requirements; ii) feeds for their livestock; iii) timber and non-timber products that re commercialised; iv) cultural and aesthetic values; etc.

These forests ecosystems can be effectively used to alleviate poverty, improve the sustainability of agricultural production, reduce food insecurity, enhance the environment in which many impoverished rural people live, and greatly contribute to global climate stabilisation. These forest ecosystems play very significant multiple roles at local as well as global levels, providing the range of important ecosystem functions and services as well as socioeconomic services including environmental goods and services that in turn affect the wellbeing of poor rural communities, local and national/international economies, as well as global environmental health.

Unfortunately these forest ecosystems are severely threatened, degraded and some being lost due mainly to both natural events and unsustainable human activities. However, a lot of concerns, initiatives and processes have been taking place in varying degrees of success to address the situation. Actively involved in these processes are the governments of the countries of the Congo Basin with assistance from various bilateral/multilateral donors and organisations.

The main threats that lead to forest ecosystem degradation and even to loss include: deforestation and vegetation removal due to unsustainable commercial exploitation, clearance for plantation agriculture and peasant slash and burn agriculture practices, and climate change/climatic variation - mainly drought in the drier forest ecosystems of Chad, Northern Cameroon, Central African Republic, Burundi and Rwanda. The threats, degradation and loss of forest cover and biodiversity lead to loss and/or reduction in ecosystem functions and services. The situation thus presents challenges to forest ecosystem conservation, poverty and sustainable socioeconomic development of the countries of the Sub-region

1.2 Challenges of Sustainable Forest Ecosystem Conservation and Sustainable Development in the Congo Basin.

There are a number of challenges facing the conservation and sustainable management of forest ecosystems for poverty alleviation and sustainable development in the Congo Basin, and for the purpose of this report, the following have been considered to be most important from among the plethora of challenges.

1.2.1 Policy Challenge. There are inadequacies in Forest Policy and Institutional settings within individual countries of the Congo Basin, let alone attempts at harmonisation between countries.

1.2.2 Environmental Challenges. The loss of forest cover is the main environmental problem in the forestry sector in the Congo Basin, and that situation has a number of negative consequences on the general health of the environment namely: i) ecosystem degradation and/or loss; ii) freshwater resources degradation and/or depletion; iii) loss of biodiversity; iv) climate change and/or variability; v) land degradation; etc.

1.2.3 Governance Challenge. Governance as considered here is with respect to natural resources management because in most cases major stakeholders are excluded from the decision-making process. Effective stakeholder participation in decision-making at all levels of forestry management still leaves much to be desired in the Congo Basin countries. The situation results to inequity in the distribution of benefits derived from the exploitation of forest resources, ignores resource use concerns of the majority – especially local communities, encourages people to flout unpopular and illegitimate laws, and promotes unsustainable forest resource exploitation.

1.2.4 The Poverty Challenge. Poverty in the Congo Basin, a natural resource-rich region, is a multi-faceted condition that is manifested especially in rural communities and among urban fringe dwellers, with very significant socioeconomic and political implications.

1.2.5 Financing Challenge – Case of COMIFAC. The COMIFAC Secretariat is very short of operating funds for its activities because member states have been reluctant to pay all of their contributions to make the Secretariat operational. The disparity in fiscal regimes among member countries seems to constitute the main reason for lack of progress, for example, some COMIFAC member countries tax forest products heavily at the source of production but lightly at export, while others do the reverse by taxing low at point of production and high at export – reconciling such a situation is not an easy process.

1.2.6 Human Resources Capacity Challenge – Case of COMIFAC. There is serious shortage of human resources capacity, in terms of numbers and professional training, to be capable of analysing, assessing, evaluating and monitoring projects, let alone to enforce the laws, however skilfully they may have been drafted. However, since the Heads of State of Congo Basin countries decided that COMIFAC becomes a specialised Agency of the Economic Community of Central States (ECCAS), hopefully the problem should soon be resolved as ECCAS has been charged to strengthen COMIFAC.

There are also inadequacies of technical personnel at the level of Ministries in charge of forestry in COMIFAC member countries, especially operational field staff. Actually, the numbers of operational forestry technicians, let alone their training and equipment, in each COMIFAC member country available for the supervision and control of forest products exploitation are very, very, inadequate and thus render the

few that are available to be ineffective and inefficient. This situation puts the forest resources at the mercy of those given the licence to exploit in the concessions.

These challenges have been of concern to national, sub-regional and international organisations, including funding agencies that have been putting in place varying projects and financial mechanisms in efforts to address the situation. These efforts have had varying degrees of success, but have been far from adequate to effectively address the enormous problems being encountered in achieving conservation and sustainable forest management in the sub-region, thus the need for additional and more concerted efforts of all stakeholders.

1.3 Objectives of the Congo Basin Forest Fund (CBFF)

One of the efforts to address the mammoth problems of achieving effective forest ecosystem conservation and sustainable livelihoods and socioeconomic development in Central Africa is the establishment of the Congo Basin Forest Fund, thanks to the announcement, in 2007, of the contribution of USD 100 million by the U.K. Government as a part of a global Environmental Transformation Fund (ETF). In order to gain time before the announced commitment becomes operational, the UK Government made available a further sum of USD16 million as start-up fund to enable the take-off of the CBFF to cover the first three years. The CBFF allocation by the U.K. Government has been made in response to representations from leading African figures involved in the conservation of the Congo Basin forest ecosystems. The intention behind it being to contribute to slowing the rate of deforestation by developing the capacity of people and institutions in the Congo Basin countries to manage their forests, and help local communities find livelihoods that are consistent with the conservation of forests.

The niche of the CBFF lies in being transformational in approach and implementation, and to achieve that, the following non-exclusive objectives have been set for the CBFF:

- Contributing to existing efforts to slowing the rate of deforestation and degradation of forest ecosystems in the Congo Basin;

- Contributing to existing efforts towards reducing poverty and promoting activities that will lead to achieving appropriate livelihoods among communities;
- Contributing to existing efforts towards stabilising the global climate;
- Participating with other donors/stakeholders in strengthening COMIFAC to become a strong and self-sustaining organisation;
- Participating with other donors/stakeholders in coordinating the formulation and implementation of programmes and projects within existing forest ecosystem management-related initiatives in the region;
- Participating with other donors/stakeholders in coordinating the mobilisation and utilisation of funds from national sources within countries of the region and from bilateral/international sources for the purpose of achieving a coordinated sustainable management programme for the forest ecosystems of the Congo Basin region.

1.4 The Objectives and Methodology of the Study.

1.4.1 Pursuant to the general objectives of the CBFF and the Terms of Reference for this study, this report has as main objectives:

- The elaboration of proposals for a Governance structure for the fund in terms of its organs, composition and arrangements, roles, and responsibilities of organ within the structure, including the structure's design, ambit, and limitations;
- Production of draft rules, procedures and guidelines for decision-making process within the Governance structure;
- Elaboration of the starting point for the operations of the Governing Structure and activities of the CBFF;
- Outlining of the relationships between the Governance structure and third parties such as COMIFAC, AfDB, CBFFP, IUCN, WWF, etc
- Discussion of the funding mechanisms for activities and project management;
- Outlining of the criteria for submission and approval of project proposals and the process for project implementation.

1.4.2 The Methodology used to obtain information for the report was as follows:

- Consulting literature from libraries, internet and recent expert consultant reports on the subject matter;
- Notes taken during the International Conference of 21 – 22 February 2008 organised by the African Development Bank in Tunis, discussions with some conference participants and discussions during working dinner on 22/02/08 in Tunis with the two Co-Chairs of the CBFF and representatives of DFID;
- The Tunis Declaration which included a significant milestone and decisions on promoting sustainable forest management (SFM) in the Congo Basin, and fostering the establishment of a sustainable funding mechanism for the implementation of the Convergence Plan of COMIFAC;
- Report of the GEF organised meeting of Ministers in charge of Forestry of countries of the Congo Basin, held in Libreville, Gabon, on the 27 and 28 February 2008;
- Discussions with a Minister and with Government Officials, Officials of Sub-regional Organisations, Bilateral/International Organisation representatives, the Congo Basin Forest Partnership representatives, Civil Society and Private Sector representatives during missions to four Congo Basin countries as follows:
Yaounde, Cameroon: 13/03 – 14/03/08 and 24/04 – 25/04;
Libreville, Gabon: 06/03 – 07/03 and 20/04 – 22/04;
Kinshasa, DRC: 17/04 – 18/04/08;
Brazzaville, Republic of Congo: 14/04 – 16/04/08;
- Discussions with UNEP Officials in Nairobi: 29/04 – 30/04/08;
- Discussions with AfDB Officials in Tunis – 08/05/08;
- Teleconference with DFID, the CBFP Chair, etc.;
- Use of Expert Knowledge of the subject matter and of the Sub-region.

2. THE CONGO BASIN FOREST FUND PROCESS.

2.1 The Central Africa Forest Commission (COMIFAC)

The on-going process is to strengthen the joint efforts, initiative, contributions and participation of Governments of countries of the Congo Basin in promoting the conservation and sustainable management of the forest ecosystems of the Congo Basin through their inter-governmental organisation, the “Central African Forest Commission” (COMIFAC), that was created by a Treaty signed in Brazzaville, Republic of the Congo, on the 5th February 2005. The Commission has developed a programme of action which has the denomination of “Convergence Plan” that is to be implemented by the COMIFAC Secretariat under the political leadership of the COMIFAC Council of Ministers.

2.1.1 Statutory Organisation and Structure of the COMIFAC Secretariat.

The COMIFAC Treaty gives the powers to appoint and remove members of the COMIFAC Secretariat, the composition of which have been spelled out as being: i) the Executive Secretary; ii) the Deputy Executive Secretary who also assumes the position of Technical Coordinator; iii) and, iv) the Administrative and Financial Director. Their term of office is four years, renewable only once. The Council of Ministers can also decide to create other statutory positions. In terms of directly recruited support staff, the COMIFAC Secretariat has only one Technical Assistant who is a forestry expert, in addition to the secretaries and administrative and/financial assistants used for the day-to-day administration of the Secretariat.

2.1.2 Implementation of the Secretariats Technical Activities.

COMIFAC implements its programmes through agreements/MoUs with a number of specialised Sub-regional Collaborating Institutions/Programmes that include: i) RAPAC (Réseau des Aires Protégées de l’Afrique Centrale – “Network of Protected Areas in Central Africa”); ii) CEFDHAC (Conférence sur les Ecosystèmes des Forêts Denses et Humides de l’Afrique Centrale – “Conference on the Dense and Humid Forest Ecosystems of Central Africa”); iii) RIFFEAC (the Réseau des Institutions de Formation Forestière et Environnementale de l’Afrique Centrale – “Network of

Forestry and Environmental Training Institutions in Central Africa”); iv) ADIE (the Agence pour le Développement de l’Information Environnementale – “Agency for the Development of Environmental Information in Central Africa”); etc.

2.1.3 Observations on the COMIFAC Secretariat Structure.

The very important roles and responsibilities expected of the COMIFAC Secretariat cannot be effectively implemented, not even the supervision and follow up the implementation of its programmes by the cooperating agencies listed above, given its present statutory organisation, structure and composition. There is need for a strong Technical/Professional component that needs to be introduced into the Secretariat, one that transcends political time limits for office holders. To this effect, there is urgent need to reform, restructure and then recruit needed professional staff for the Secretariat to enable it render the services required to achieve the conservation and sustainable management of the forest ecosystems of the Congo Basin.

2.2 Summary of Significant Milestones in the CBFF Process

February 2007: Working Session in London between Prof. Wangari Maathai, Minister Henri Djombo, Jonas Nagahuedi Sodi – Executive Secretary of COMIFAC, the U.K. Treasury Secretary and DFID Officials.

March 2007: Announcement by Mr. Gordon Brown of the U.K. donation of 50M Pounds Sterling for the CBFF.

Announcement of the appointment of the Right Hon. Paul Martin and Prof. Wangari Maathai as Co-Chairs of the CBFF that is to be established.

April – August 2007:

Discussions/Consultations were taking place between DFID, the Co-Chairs and COMIFAC on the establishment of the CBFF.

Appointment by British Prime Minister Gordon Brown of Hon. Barry Gardiner as PM’s special envoy on forests with responsibility to work closely on the establishment of the CBFF.

September 2007:

Co-Chairs and DFID undertake mission to Yaoundé for further consultations with COMIFAC and Cameroonian Government

Officials - they met with the Prime Minister, the Minister of Forest and Protected Areas, some NGOs, etc.

First Co-Chairs meeting with DFID in N.Y. to establish strategy for setting up the CBFF.

Consultative meetings between Co-Chairs and Heads of State of the Republic of Congo, Rwanda, and Gabon to brief them and obtain their views on setting up a Governance Structure for the CBFF.

Co-Chairs meeting with the UN Secretary General, Mr. Ban ki-Moon to discuss the CBFF.

October 2007:

Conference of the Congo Basin Forest Partnership (CBFP) in Paris where the vision of the CBFF was presented by Pr. Maathai and discussed during the Plenary Session of the Partnership. Some of the issues concerned with the governance of the Fund that were presented were contentious. It was for this reason that UNEP was then mandated by the Conference stakeholders to carry out a study on the Governance Structure for the CBFF to be presented to stakeholders for discussion so as to reach an appropriate consensus on the issue.

Dec/2007 – Jan 2008:

DFID Consultant recruited to produce a report on a start-up fund for the CBFF.

February 2008:

Teleconference between UNEP and DFID during which it was agreed that DFID would design a draft Governance Structure for the CBFF to be examined later within the on-going process of studies and consultations.

Tunis Conference on Financial Mechanisms for the management of Congo Basin Forests.

February–April 2008:

On-going intensive consultations between DFID and the AfDB on the establishment of the CBFF to be hosted at the Bank.

Barry Gardiner's mission to some Congo Basin countries.

May 2008: Co-Chair fundraising consultations with the Norwegian Government resulted to a commitment of USD 100 Million by Norway as matching fund to the CBFF.

June 2008: Launching of the CBFF.

2.3 The Paris Conference.

The U.K. Government/DFID's vision on the CBFF were made public at the Paris Conference of October 2007, during which DFID made a funding commitment to intervene in three components of the COMIFAC Convergence Plan, namely: a) Strategic Areas 2: Knowledge of the resource; b) Strategic Areas 6: Development of alternative activities and poverty alleviation; and, c) Strategic Areas 9: Development of funding mechanisms. The components of Strategic Area 7: Capacity building, stakeholder participation, information, training and stakeholder participation will be integrated into the above three Strategic Areas, rather than having them considered separately.

This Fifth Session of the CBFP in Paris was an occasion during which a progress report on the first round of consultations and reflections towards defining the governance structure for the CBFF were presented by the U.K. Government's Department for International Development (DFID). The report by Hon. Prof. Maathai, supported by H.E. Henri DJOMBO, the Minister of Forest Economy of the Republic of Congo, resulted to a highly animated debate by the Ministers of the Congo Basin Commission who could not come to a common consensus on the Governance Structure for the CBFF. Contentious arguments among the Ministers centred around the following issues: i) the composition and representation within the governance structure; ii) the roles of the World Bank and the African Development Bank in the management of the CBFF; and, iii) the possibility that the COMIFAC Secretariat may be left out of the management of the Fund which would be contrary to the decisions of the Heads of State of Congo Basin countries during their Brazzaville summit in March 2005.

In the light of these contentious arguments, it became apparent during that Fifth Session of the CBFP that further consultations were necessary to be carried out among

the members of the CBFP in order to arrive at a general consensus on the governance structure and the modalities of the financial management of the CBFF. The Franco-German Facilitation of the CBFP took the occasion to inform participants that France and Germany were giving assistance for the establishment of an autonomous financing mechanism for COMIFAC in order to facilitate the implementation of the Convergence Plan.

UNEP at the occasion then accepted to engage an independent consultant to carry out consultations among members of the CBFP and from that process produce recommendations for a governance structure for the CBFF which will be presented for discussion among members of the CBFP for approval.

2.4 The Tunis Conference

A very important milestone in the process was the organisation of the “International Conference on Financial Mechanisms for the Sustainable Management of Congo Basin Forest Ecosystems”, 21–22 February 2008, by the African Development Bank (AfDB), in collaboration with DFID, COMIFAC, and several donors. Participants at this important forum included major stakeholders concerned with the conservation and sustainable management of the Congo Basin Forest Ecosystems, including Ministerial-level representatives of most Congo Basin member countries, the two Co-Chairs of the CBFF, donor agencies, regional international organisations operating on forest ecosystem-related activities in the Congo Basin, Civil Society - among which was a representative of indigenous Pigmy population, the Private sector, etc. The main outcome of the Conference was the “Tunis Declaration on the Financial Mechanisms for the Sustainable Management of the Forest Ecosystems of the Congo Basin” (Annex 3). This memorable declaration contained the commitments of representatives of:

- Governments of COMIFAC member countries;
- Development Partners (donors);
- The African Development Bank;
- Civil Society and other Stakeholders,

to work together in promoting the conservation and sustainable management of the forest ecosystems of the Congo Basin, through putting in place appropriate financial mechanisms and other necessary resources to strengthen COMIFAC which is the institution set up for that purpose. The declaration upheld the process of setting up of a “Special Fund for the Forests of Central Africa at the African Development Bank”.

2.5 Internationalisation of the Congo Basin Forest Fund.

The initial fund for the CBFF made available by the British Government has been a catalyst intended to elicit additional significant contributions from other bilateral and multilateral donors, including the governments of the countries of the region, as a necessary measure towards the internationalisation of the Congo Basin Forest Fund.

The Tunis Declaration had clear engagements of the various stakeholders in the direction of internationalisation of the fund, more specifically:

- a) To host the CBFF at the AfDB that will manage the Fund and the Secretariat.
- b) the representatives of COMIFAC member governments committed themselves to:
 - i) Substantially increase the financial and human resources of COMIFAC engaged in the conservation and sustainable management of forest ecosystems; ii) encourage ECCAS to give necessary financial assistance and professional training to COMIFAC and its partner institutions in rigorous transparent budgetary and technical management; iii) call on all COMIFAC country partners to campaign for funding at level of G8 members during their next meeting in Japan; iv) requests the World Bank to assist COMIFAC countries in the preparation and mobilisation of carbon credits.
- c) The COMIFAC partners (World Bank, GEF, including bilateral/international funding agencies and organisations) indicated their readiness to reinforce the financial mechanisms for the management of the Congo Basin Forest programme.

The continuation of the fund mobilisation process by the Co-Chairs will encourage the process of internationalisation of the CBFF.

There is thus good intension on the part of both country member States and the donor community to support the COMIFAC Secretariat in the pursuit of implementing the Convergence Plan.

3. VIEWS AND PERCEPTIONS ON THE MANAGEMENT OF THE CONGO BASIN FOREST FUND

As a prelude to making proposals on the management of the CBFF, lessons have been drawn from the review of the governance structures of some Trust Funds and Forest Funds that have been successful examples/experiences. The lessons as summarised below have contributed insights and options for the proposals towards the establishment of the governance structure for the Congo Basin Forest Fund. Inspiration has also been drawn from the views/opinions of members of the Congo Basin Forest Partnership and the draft design of the interim Governance Structure proposed by DFID.

3.1 Review of Successful Trust/Special Funds for Forest Ecosystem Management.

Some examples of “trust fund-like” organisations that were reviewed include, the Global Fund to Fight Malaria, HIV-AIDS and TB; the Global Mechanism of the UNCCD; the International Programme for Technology and Research in Irrigation and Drainage (IPTRID)/FAO; the Vietnam Forest Trust Fund; The World Bank Multi-Donor Trust Funds, etc. The management of these funds have the following common characteristics:

- Governing Board composed of multi-stakeholder membership;
- Secretariat that is responsible for the day-to-day operations, including mobilizing resources from the public and private sectors, managing grants, providing financial, legal and administrative support, and reporting to the Board and the public;
- Country Coordinating Mechanisms which have the role of coordinating the submission of one national proposal for funding, drawing on the strengths of various stakeholders to agree on strategy.
- Project approval processes; and,
- Provisions for Monitoring and Evaluation.

The African Water Facility (AWF) hosted and managed by the AfDB is an excellent example of successful management of a fund by the Bank, the lessons and experiences from which should significantly contribute to the establishment of a Governance Structure for the Congo Basin Fund.

The Governance Structure of the AWF is made up of a Governing Council, a Director and qualified staff necessary for carrying out the objectives of the AWF fund. The Board of Directors takes certain decisions as provided for in the instrument establishing the fund under the management of the Bank. The AWF Governing Council has thirteen Members appointed by major stakeholders that include donors, while the Director of the AWF is an ex-officio member.

The AWF Governing Council appoints its Chairperson and adopts its Rules of Procedure, while the Bank appoints a Secretary for the Governing Council. The Bank appoints the Director as well as the Operational and Administrative staff of the Facility. The Bank provides office facilities to the AWF Director and his staff.

The review of successful Trust Funds enabled the establishment of a checklist and framework for collecting information through focused discussions with various stakeholders on their perceptions on a governance structure for the Congo Basin Forest Fund.

3.2 Views/Opinions Expressed on a Governance Structure for the CBFF

3.2.1 Outcome of the Tunis Conference. During deliberations at the Tunis Conference from 21 – 22 February 2008, it was accepted that the CBFF shall be hosted and managed by the AfDB. As of the moment, a lot of developments have already taken place in discussions between the AfDB and DFID concerning the Governance Structure and functioning of the CBFF. On the other hand, consultations within the terms of reference of the UNEP study on the Governance Structure and functioning of the CBFF have taken place at the level of Congo Basin country Governments, Sub-regional organisations, bilateral/international organisations and programmes, Civil Society and the Private Sector in four countries of the Congo

Basin Sub-region to obtain the perceptions and opinions of these major stakeholders on the same issues.

The perceptions and views on the Governance Structure and functioning of the CBFF, as recorded in the course of the consultations, have been varied and very contentious as far as the hosting of the Fund, the composition of the Governing Council, the role and responsibilities of the AfDB, and the location and role of the CBFF Secretariat in relation to the COMIFAC Secretariat are concerned. These perceptions and views centre around, on the one hand, whether the AfDB is expected to perform the role of 'Treasurer/Fund Custodian' and to be rendering financial advice/support services to the Secretariat which should have the responsibility and role of 'Fund Manager'. On the other hand, all Donors/Funding Agencies and even some government officials are of the opinion that the AfDB will act as both 'Treasurer/Fund Custodian' and 'Fund Manager'. The implications of the terminologies 'Treasurer/Fund Custodian' and 'Fund Manager' had quite divergent connotation to most representatives of governments of the Congo Basin countries consulted on the one hand, and donors on the other hand, with implications on their perceptions on the roles, responsibilities and functioning of the components of the Governance Structure. Notwithstanding, all stakeholders agree that the CBFF should have a Governing Council (GC) that will be the paramount/final decision-making authority on all matters concerning the use of funds. In terms of the composition of the GC, opinions ranged from a number as small as five to as many as fifteen members, and from the inclusion of COMIFAC country member representatives at political level to having the GC made up only of professional eminent personalities drawn from the Sub-region.

3.2.2 Views/Opinions Expressed. The perceptions as presented below are summarised from notes taken during presentations by delegations and discussions with officials during the Tunis Conference, as well as information-gathering discussions during working visits to four countries in the Congo Basin - Cameroon, Congo Republic, Democratic Republic of the Congo and Gabon. During the working visits to these countries focused discussions and exchange of views/opinions on a Governing Structure for the Congo Basin Fund were carried out with Government officials, bilateral/international donor organisation representatives, Civil Society Organisations (CSOs), Private Sector (PS) representatives and experts/professionals in

the Sub-region. There was wide variation on the issue of representation in the GC and on how to select members that will represent the major stakeholders. Generally, opinion was that as a new comer in funding forest ecosystem management in the Congo Basin, the CBFF should get into the existing boat-wagon by joining the CBFF and cooperating fully with the Partnership.

The views/opinions expressed during the said discussions were with three groups of stakeholders: a) Governments, COMIFAC, ECCAS, CBFFP, ADIE, Officials; b) Civil Society (CSOs) and the Private Sector (PS); c) Bilateral/International Organisations (DFID, French Cooperation, German Cooperation, European Union, WWF, IUCN, ECOFAC, CARPE, etc.). These are summarised in the paragraphs that follow.

3.2.3 Perceptions of Governments and Sub-regional Organisations on a CBFF

Governance Structure. The general tendency of opinion was that the Governance Structure should be light with total membership ranging between seven and eleven (note that actual suggestions ranged between five and fifteen members for the GC). The arguments for a light structure were that it would be:

- More effective and efficient;
- More cost effective;
- Easier for them to agree on time/place for organisation of their meetings;
- Easier to reach consensus on issues debated during GC sessions.

There was also general agreement that the Governance Structure should be integrated into existing structures and processes in the Sub-region, especially the Council of Ministers and the CBFP.

The issue of nominated Co-Chairpersonship was questioned by some of the government representatives interviewed, but the general tendency was that it be maintained as a tentative measure until the end of the three-year pilot phase when the issue of chairperson and membership of the GC should be reviewed with provision made for a rotation-basis representation and built-in provision for continuity.

The few advocates for a large membership of the GC argued that the only way to make countries feel ownership of the CBFF would be for all ten COMIFAC member countries to be represented in GC at political level, and that limiting the membership would be exclusive.

In terms of the process for the selection of GC members part of the tendency of opinion was that to add to the Co-Chairs should be the President and two other members of the COMIFAC Council of Ministers selected on the basis of integrity, devotedness to examine issues from a Sun-regional perspective without national political influence, and knowledge of the process. There should be provision made for any Minister members of the GC to continue to the end of their mandate in the GC, even where they cease to be Ministers in their countries. To this effect, the Co-Chairs could consult with the President of COMIFAC Council of Ministers for a consensus on the selection. Another equally significant tendency of opinion was that given the already nominated Co-Chairs, the selection of the other members of the GC should be the prerogative of the COMIFAC Council of Ministers, with provision made for a rotation system of membership in the GC.

The CSOs and PS do not have functional Sub-regional organisations. This situation poses a problem on how to get them represented in the GC if provision is made for that group of stakeholders. Two propositions were distinct out of the many. One is that the task of selection of CSOs and PS representation be left as the responsibility of CEFDHAC who have a record of these organisations. The other was that open application with terms of reference relating eligibility should be advertised for individuals in those organisations to competitively apply and then the Co-Chairs together with the President of COMIFAC do the selection.

The Roles/responsibilities of the GC should be limited to policy and decision-making while operational issues go to the COMIFAC Secretariat. The CBFF process should also participate in promoting/contributing towards regional integration through its policies and decision-making mechanisms.

3.2.4 The Perceptions of Civil Society (CSOs) and the Private Sector (PS) on a CBFF Governance Structure. The CSOs and the PS generally advocated for a light

structure for the GC. The CSOs would welcome being considered for representation in the GC, while the PS would be happy to be considered for participation at the decision-making level of forest ecosystem conservation issues. There were also arguments that indigenous peoples be represented because they are those most affected by all activities in the forests.

3.2.5 The Perceptions of Bilateral/International Organisations on a CBFF Governance Structure. The GC should be a light but functional structure of about seven members. The GC should be in a position that will be reconciliatory of various expectations that could be conflicting – political expectations of countries, expectations of AFDB as fund manager, and expectations of CBFF donors. Sustainability of governance structure would require taking advantage of existing financial mechanisms and building/improving on existing partnerships/policy/legal and institutional set-ups. CBFF as new comer should join hands with on-going processes and become partner in the CBFP process. In terms of composition, recommendation is that membership in the GC should not be based on country or institutional representation; else members would tend to press for the interests of their countries or institutions at the risk of overall Congo Basin interests. What is necessary is to have people of senior management level, credible, knowledgeable of the subject matter and of the zone.

As concerns their selection, the responsibility should be given to the two Co-Chairs, who are already nominated GC members, to carry out consultations at level of COMIFAC Council of Ministers, ECCAS, UNEP, AFDB and the CBFP in order to nominate the other five members of the GC through consensus. It is advisable that the list of GC members so nominated be sent to COMIFAC Council of Ministers for validation. Bilateral/International Organisations should serve only as ex-officio members of GC.

The role of the Governing Council should be that of political oversight and strategic planning and not role of day to day operations of the CBFF.

3.3 Views/Perceptions on the CBFF Secretariat.

Arguments centred on the issue of hosting the Secretariat at the AfDB in Tunis with Bureaux in Yaounde and Kinshasa, versus hosting the Secretariat at the COMIFAC Headquarters in Yaounde. There were contentious views in terms of size, roles, functions and responsibilities, in view of the fact that to achieve the main objective of the Fund, the capacity of COMIFAC to implement the Convergence Plan must be strengthened – this is the official organisation set up for that purpose by Governments of Congo Basin countries.

3.3.1 The Secretariat: Perceptions of Government Officials and of Sub-regional Organisations. On the premise that the CBFF should directly contribute to strengthen/build the capacity of COMIFAC, two distinct differences/tendencies in thinking among this group of stakeholders concerning the location and functions of the CBFF Secretariat are isolated and presented below.

a) One line of thought that emerged is that the creation of structures that disappear at the end of project funding should be avoided. If it cannot be convincingly demonstrated that any structure being created will effectively be sustainable, then better to reinforce/restructure the capacity of existing ones to serve the purpose and assure sustainability. Therefore the idea of three offices – **Secretariat in Tunis and Bureaux in Yaounde and Kinshasa would be inadvisable. Under this line of thought:** i) the need for the CBFF to effectively reinforce/build COMIFAC's financial and technical management capacity during the three-year initial phase is such that this cannot be achieved by placing the Secretariat in Tunis – thus Secretariat has to be integrated into COMIFAC Secretariat; ii) there should be only one Secretariat for the CBFF located at, and integrated into, the COMIFAC Secretariat because having Secretariat in Tunis and Bureaux in Yaounde and Kinshasa will not be cost effective and will render the process of channelling funding applications too long; iii) the Secretariat should have a full-time expert team at COMIFAC that will receive funding application dossiers from Countries for study, analysis and motivated comments in terms of conformity with Convergence plan, then sent to the GC for validation and order/authorisation to fund given to AfDB; iv) the COMIFAC Secretariat in Yaounde is poorly equipped in terms of professional/technical staff and facilities – compare with the exhaustively equipped Franco-German Technical Unit intended to build COMIFAC capacity; v) the AfDB should reinforce the capacity of

its Sub-regional Office so that the office can take direct on-the-spot responsibility of relations with COMIFAC Secretariat; vi) in case for any strategic reason during the pilot phase some presence is necessary at the level of the AfDB in Tunis, this should be made up of a small team with specific role/responsibility, e.g., some required verification and assessment of fund applications for further scrutiny in preparation for GC deliberations for approval/rejection.

There is need to build the capacity of COMIFAC through staffing with expert professional personnel to enable the organisation be capable of effecting project formulation, project monitoring and evaluation, and the mobilisation of finances, before using and depending on their services – the organisation cannot be expected to effectively deliver in their present staff situation.

The COMIFAC Council of Ministers should consider the decentralisation of the Secretariat to have presence in member countries through COMIFAC Country Delegations – this may be a medium-term plan which should eventually work with, and/or replace, the National Coordination Units. The possibilities of decentralisation should be studied along with the studies proposed to be carried out for the reform/restructuring of the COMIFAC Secretariat.

b) Another line of thought that emerged, but with less support was the acceptance of Secretariats in Tunis and Yaounde, with a Bureau in Kinshasa, and AFDB be the manager of the CBFF. Proponents of this line of thinking specified that: i) the Secretariat in Tunis be equipped with technically and financially competent staff – this will mean less cost for CBFF; ii) AFDB will be encouraged to mobilise more funding from both its internal sources as well as from external sources for the CBFF; iii) the Secretariat in Tunis will be responsible for final assessment/evaluation and opinion on all funding applications before submission to the GC; iv) the Yaounde Bureau be located at COMIFAC Secretariat and answerable in the first instance to the COMIFAC Executive Secretary should be responsible for verification of funding applications sent in from Kinshasa; v) the Kinshasa Bureau will be responsible for collecting dossiers from National Coordination Units, carry out preliminary verifications and then forward to Yaounde for technical analysis, assessment and evaluation before forwarding to Tunis.

3.3.2 The Secretariat: Perceptions of Civil Society and the Private Sector on a Secretariat for the CBFF. The Secretariat should be close enough to the zone of activities to be able to give adequate checks and balance to the National Coordination system, carry out systematic technical capacity building of CSOs, as well as effective supervision and monitoring of activities in the field.

3.3.3 The Secretariat: Perceptions of Bilateral/International Organisations.

Discussions with this group of stakeholders brought out their opinions as follows: a) the Secretariat should be attached to the AfDB for technical assessment, evaluation and recommendations of projects for financing in accordance with Bank standard performance criteria; b) the AfDB by accepting responsibility to host the CBFF will make available the staff needed to give the technical, economic and financial backup to the CBFF Coordinator at the Bank in view of added responsibility; c) the AfDB must have evaluated the cost-effectiveness of having staff in Tunis, Yaounde and Kinshasa and the long-term effects on the programme; d) the structure/composition of Secretariat should reflect implementation of the various COMIFAC Strategic Areas; e) the Tunis Secretariat should be a light structure to last only during the pilot phase of the CBFF (three years), after which should be transferred to the COMIFAC Secretariat, but the modalities should be worked out with CBFP team that has the role of giving orientation/support for sub-regional and national programme of activities; f) the structure should be simple/light relying more on existing structures and giving more responsibility to implementing organisations; g) the Yaounde Bureau should actually be called Sub-Secretariat and should be equipped with expert technical staff and functioning budget. The strengthening of COMIFAC should start immediately so that it can assume the technical role answerable to Tunis; h) the procedure/relationship between Tunis and Yaounde need be well defined through ToR/MoU; i) AfDB Regional Office should be equipped to eventually handle all AfDB/CBFF activities after initial phase; j) the CBFF Secretariat should build capacity of NCU, especially those lagging behind; k) the CBFF Secretariat Technical experts to join with Franco-German team so that they together build the capacity of COMIFAC.

The bilateral/international organisations insisted, however, that note should be taken of the fact that in no way should the CBFF be replaced or be confused with the autonomous financial mechanisms of COMIFAC. On the same note, the AfDB in hosting the CBFF should follow its normal financial/technical management procedures with necessary modifications, to be negotiated with the Governing Council and the COMIFAC Council of Ministers, which will enable the CBFF to ease disbursements of funds to approved projects.

3.4 Views/Perceptions on National Coordination Units (NCUs).

3.4.1 National Coordination Unit (NCU). The Council of Ministers of COMIFAC member countries had decided that National Coordination Units be established in their respective countries. The National Coordinator should have a fully equipped Unit in terms of technical staff, office equipment and working facilities, and the Unit to work full-time on COMIFAC activities in the country. It was in view of concretising that decision that a Sub-regional workshop on “Programming of Activities and Capacity Building” of National Coordination and Partner Institutions that was organised in Bujumbura from 11 – 13 February 2008. The Ministerial Council decision was that each member country should have a National Coordinator for COMIFAC activities appointed by the Minister in charge of Forestry. Under the National Coordinator, the fully equipped NCU will assume full-time (100%) responsibility for CBFF/COMIFAC activities in the respective country.

3.4.2 The National Steering Committee (NSC). There was strong opinion that each country should have a multi-stakeholder ad-hoc NSC which should be made up of about 11 members who are professionals in the domain including socio-economists and have good knowledge of forest ecosystem conservation and sustainable management in the country. Members of the NSC should be identified from among CSOs, PSs, University professors, Researchers, Project Managers and representatives of some funding Agencies working in the country. Upon the recommendations of the National Coordinator, members of the NSC should be appointed by a Service Note of the Minister in charge of Forestry.

The multi-stakeholder ad-hoc NSC of which the NCU is member and assures secretariat services will be responsible for screening all project applications at

national level before forwarding to the COMIFAC Secretariat for further action. The screening process would make sure that projects are within Convergence Plan and meet certain minimum requirement. The NSC will meet only periodically to examine, evaluate and validate application dossiers for funding of project in the country. The NSC should be chaired by the National Coordinator of COMIFAC activities - all members of the NSC, with the exception of the Chair, should be on rotating basis.

3.4.3 NCU: The Perceptions of Government and Sub-regional Organisations.

Note should be taken that the establishment of COMIFAC National Coordination Units and the reinforcement of the operational capacities was a decision taken by the COMIFAC Council of Ministers during their meeting of September 2006 in Malabo. The outcome of discussions were that: a) the funding of NCU and National Steering Committees (NSC) is the responsibility of individual governments, but they can request assistance from bilateral/international organisations working at country level; b) Strengthen National Coordination Unit – competitively selected professional staff, secretariat staff and provide them with necessary equipment; c) NCUs will be responsible for receiving project funding applications from organisations and/or individuals with the country, classify the applications, analyse/evaluate these with motivated comments/observations in relation to conformity with national COMIFAC Convergence Plan and then submit during planned meetings of the NSC; d) member countries should create independent multi-stakeholder National Steering Committees (NSC) for national selection/approval projects to be submitted through the CBFF Secretariat for financing; e) the CBFF should build capacity of NCU and NSC through seminars/workshops; f) member Governments should endorsement all projects proposals for CBFF financing.

In order to concretise the decision of the COMIFAC Ministerial Council, the COMIFAC Secretariat in collaboration with the Franco-German Facilitation of the CBFP organised a workshop in Bujumbura from 11 – 13 February 2008, the main theme of the workshop being the programming of activities and capacity building for National Coordination Units and Sub-regional institutions. During the workshop, the roles/responsibilities of National Coordinators were elaborated and harmonised for all COMIFAC members countries.

On the other hand, the NCU is the channel through which all applications for funding within each COMIFAC member country should be forwarded for verification as to

their conformity with the National COMIFAC Action Plan and the National Sustainable Development Programme, and thus validation by Government.

3.4.4 The Perceptions of Civil Society and the Private Sector Organisations on National Coordination Units. Create independent multi-stakeholder National Steering Committee (NSC) to work with the NCU in national selection/approval projects for financing – this is for checks and balance as well as to ensure transparency and unbiased judgement.

3.4.5 The Perceptions of Bilateral/International Organisations on National Coordination Units. A few points were advanced by this group of stakeholders on the NCU as follow: a) in view of the fact that forest-related issues may be treated in different Ministries within the same country, there is need for effective inter-Ministerial coordination; b) the staffing of NCU should be based on competitively recruited professional staff, secretariat staff and equipment; c) create independent multi-stakeholder National Steering Committee (NSC) for national selection/approval projects for financing.

3.5 The Perceptions of UNEP on a Governance Structure for the CBFF.

The Governance Structure and functioning of the CBFF should be similar to the successful example of the African Water facility but modified to the exigencies of the requirements of the conservation and sustainable forest ecosystems management in the Congo Basin Sub-region. The Governing Council to be formed to work with the two Co-Chairs should have the role of making policy, rules and procedures, as well as play advocacy and fundraising role at the level of Congo Basin country governments and the bilateral/international community.

The GC and CBFF Secretariat should maintain a roster of a reference group of experts who can be called upon to review projects and give advice on technical issues/reports concerning the CBFF upon request. The selected group of experts may not necessarily have to meet, except on ad-hoc basis as need arises, but they could work individually through email and/or a web-based communication system that the AfDB may establish for that purpose.

The AfDB should establish rules, regulations and procedures concerning the approval/rejection of fund applications that are clear, not complicated, and avoiding much of red-tape so that funds are easily accessible for projects. In terms of routing of applications for funding, it is recommended that all applications are made direct to the CBFF Secretariat with copies sent to the COMIFAC Secretariat and National Coordination Units. However, the CBFF Secretariat should constantly in coordination with the COMIFAC Secretariat and National Coordination Units as concerns the situation of applications for funding. There should be provision for a threshold on amounts for project funding that can be approved at the level of the Secretariat, and above which should go to the GC.

There could be possibility to envisage a situation where COMIFAC assumes the role and responsibility of the CBFF “Technical Secretariat” while the AfDB takes role and responsibility of the “Funding Secretariat”, but unfortunately, the COMIFAC Secretariat is not adequately equipped to assume such a role/responsibility. Therefore the Bank should assume both roles/responsibilities – this may be reviewed after COMIFAC has been reformed, restructured and equipped in the long-run to fully assume its roles/responsibilities to effectively manage the Convergence Plan.

3.6 The Position of the AfDB on the Governance Structure for the CBFF

Issues on Governance Structure for the CBFF are regularly being discussed between the AfDB, DFID and the Co-Chairs. In terms of the Governing Council (GC), it is important that it be a lean structure where the President of COMIFAC will represent political interests while the Secretary General of the Economic Community of Central African States (ECCAS) will represent economic interests.

The AfDB has accepted to host the CBFF Secretariat, but this will have to be within the Policies, Rules and Regulations of the Bank – however, ways are being worked out to have flexibility and shorten procedures for access to funds of the CBFF by the target groups.

Presently the Bank has produced a Draft Framework Document and an Operational Manual for the management of the CBFF which are being reviewed, and a Legal

Instrument is also being drafted for review. All three documents, when adequately reviewed, will be sent to the Bank’s Board of Directors for formal approval and then to the Bank’s Board of Governors for final approval and legally establishing the CBFF to be managed by the AfDB.

The AfDB will work through its offices in Yaounde and Kinshasa through which application for funding will be channelled. A reference group of experts will be established and who may be called upon from time to time to render advisory services to the Bank on project funding applications.

The AfDB holds that COMIFAC must put in place a critically needed “Technical Capacity” before it can be strengthened – an empty institution cannot be strengthened. There is very urgent need to **reform and restructure** the COMIFAC Secretariat to become a “Technical Institution” that is capable of carrying out the analysis, assessment, monitoring and evaluation of project in terms of their financial, economic and technical aspects – this is the only way to render that organisation effective and sustainable with respect to its mission.

4. GOVERNANCE STRUCTURE SCENARIOS FOR THE CONGO BASIN FOREST FUND (CBFF).

4.1 The Governance Structure as Starting Point for CBFF Operations.

The CBFF process is now at the stage of having the starting point for the operations of the Fund, and that starting point is the putting in place the Governance Structure (GS) of the fund at both the decision-making and management levels.

The Tunis Declaration of 21 – 22 February 2008 gave mandate to the African Development Bank (AfDB) to host, be the catalyst and coordinator of new funding for the Congo Basin. Therefore the AfDB has to appear in the organisational structure of the Governing Structure. Taking into consideration all the views/opinions on the governance structure in terms of the hierarchical set-up from Governing Council at the top through the Secretariat to the National Coordination Units, the composition at each level, the roles/responsibilities to be assigned at each level including that of the AfDB where the Fund is to be hosted, and that the Secretariat will be located at the AfDB for at least the first three years of pilot phase, the following proposal is put forth for consideration.

4.2 THE GOVERNANCE STRUCTURE FOR THE CBFF

4.2.1 Requirements and Characteristics. The discussions with different stakeholder groups leads to the conclusion that the effective implementation of the objectives of the CBFF would require: a) a light Governance structure that will adequately adapt to existing processes; b) a Governance structure that can survive the ambiguities/uncertainties of the political scene; c) a financial and technical management arrangement that would adequately satisfy the requirements of international good governance standards; d) organisational capabilities that can effectively manage the funds and type of programmes/activities needed to address the challenge of conservation, poverty reduction and sustainable development in the Congo Basin; e) requires the provision of long-term financial stewardship through participative approaches involving the governments of the countries of the Congo Basin – this means that the CBFF has to make commitments that go beyond the three-year pilot phase; f) the availability of a community of organizations able to carry out the range of activities needed to achieve the conservation, poverty reduction and sustainable development objectives; g) transparency and accountability to the public, stakeholders and donors requires rigorous record keeping and regular, independent audits; h) promote sense of commitment and ownership by beneficiaries , which are

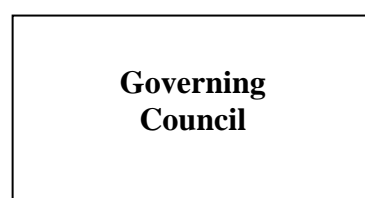
the countries of the Basin through where the international community also benefits from ecosystem services.

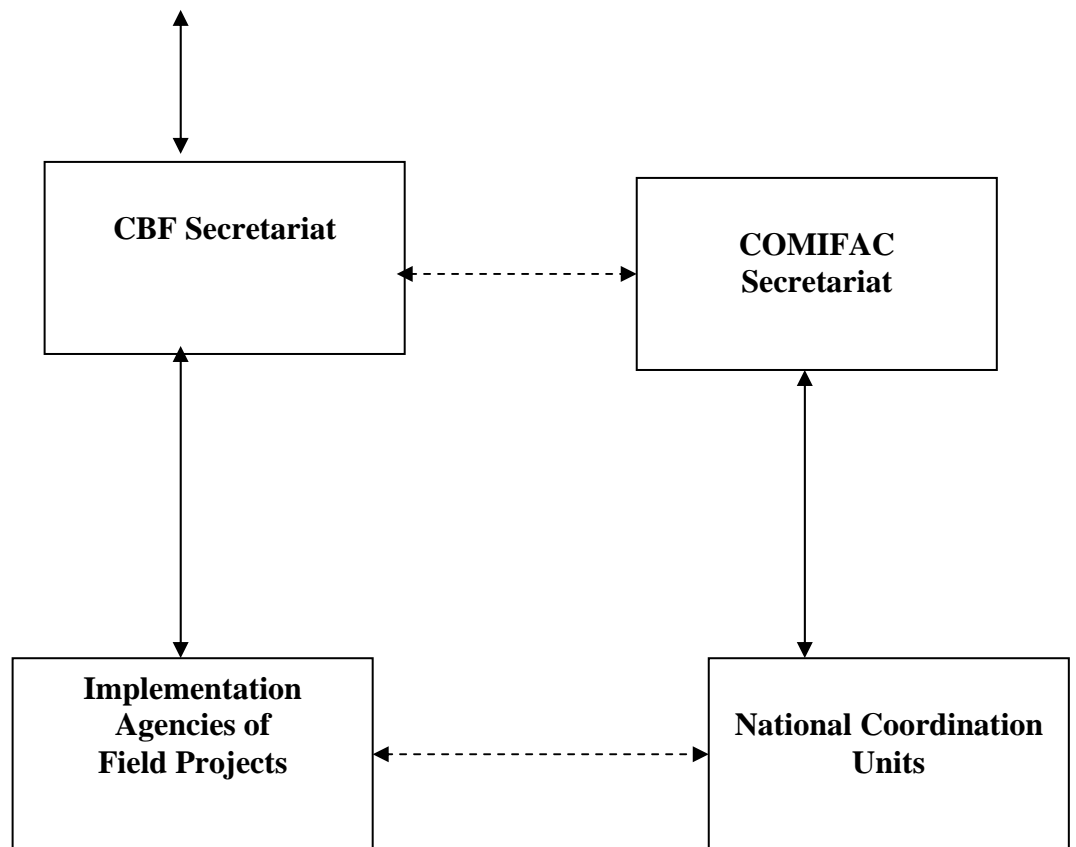
4.2.2 Conclusions from Stakeholder Consultations. The general conclusions from consultations with major stakeholders are that the GS must fulfil the following criteria: a) be light so as to be effective, efficient and avoiding unnecessary red-tape in handling CBFF dossiers; b) be competent and duty-conscious; c) be politically credible; and, d) COMIFAC and the CBFP be involved. These criteria are crucial for the general credibility of the GS when assessed/evaluated by major stakeholders, i.e., Governments, Donors, CSOs, the PS, and why not the general public at large that is the final beneficiaries of the CBFF programme and projects. From the results of the consultations there is general consensus that the GS be a three-tiered governance structure:

- i) Governing Council (GC);**
- ii) Secretariat – CBFF Secretariat versus COMIFAC Secretariat;**
- iii) National Coordination Unit (NCU).**

4.2.3 GS Scenario 1: Organisation of the Governance Structure. With this scenario, the line of responsibility starts from the top with the Governing Council to the AfDB/CBFF Secretariat, and down to the implementing Agencies of field projects. The role of the COMIFAC Secretariat is limited to being consulted by the AfDB/CBFF Secretariat as need arises. The organisational structure for this scenario is indicated in the diagramme below.

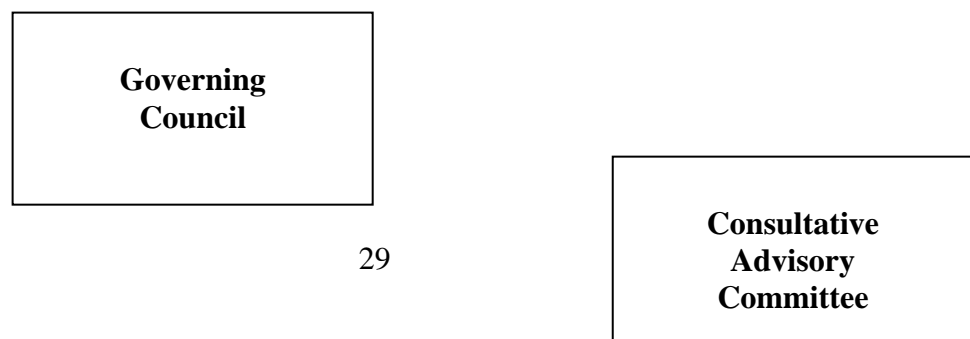
Figure 4.1 Organigramme GS Scenario 1.

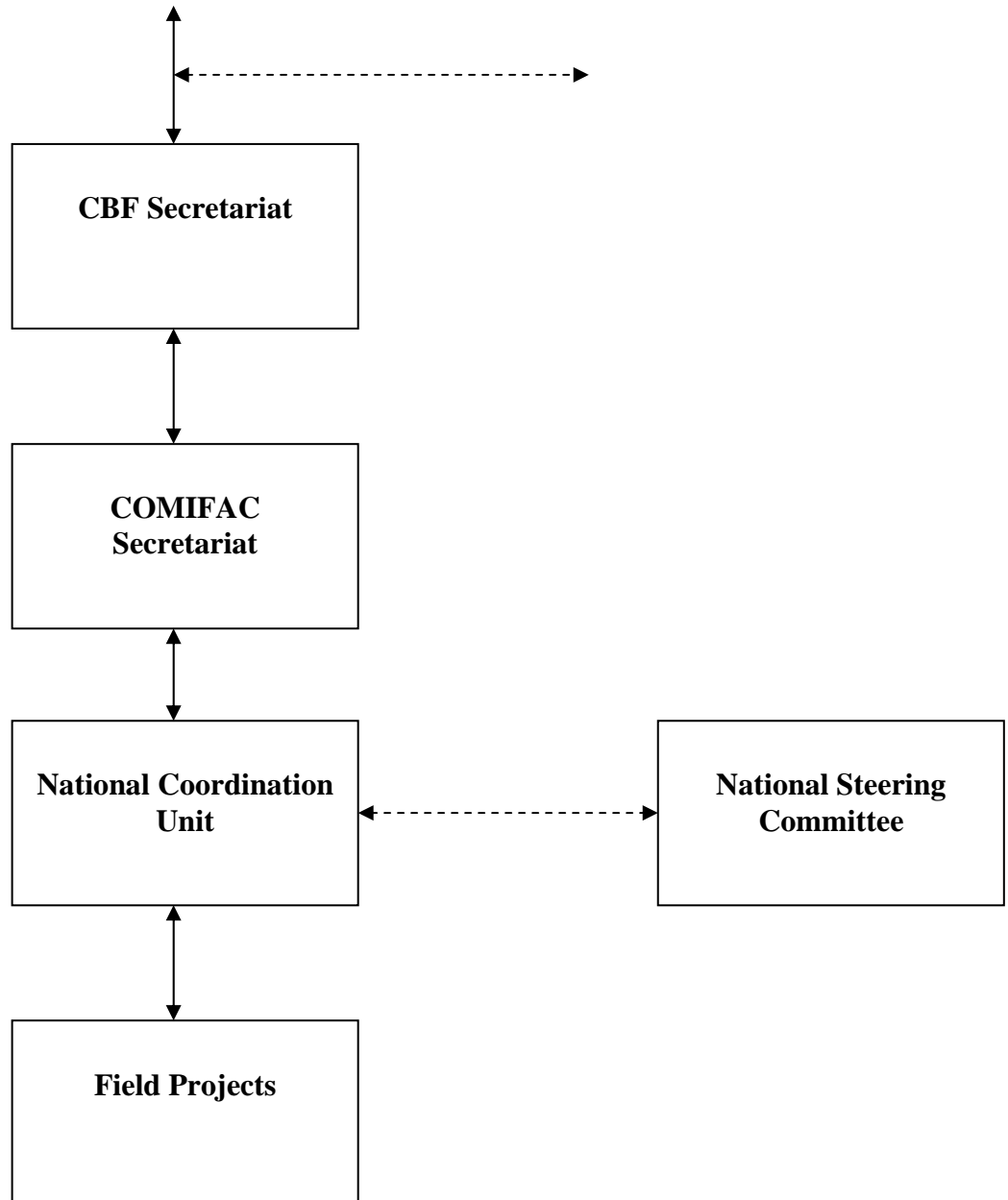




4.2.4 GS Scenario 2: Organisation of the Governance Structure. In this scenario, the line of responsibility goes from the Governing Council through the AfDB/CBFF Secretariat, the COMIFAC Secretariat and the National Coordination Units and down to the implementation Agencies at field project level. This scenario gives possibility for COMIFAC country members to have control and coordinate all projects being financed in their respective countries. The organisational structure for this scenario is indicated in the diagramme below.

Figure 4.2 Organigramme GS Scenario 2.





4.2.5 Composition and Determination of Membership under Different Scenarios. In the course of discussion during the missions to four countries of the Congo Basin, there were several proposals on the composition and selection of the GC, ranging from as small a number of 5 members to the very large number of 15 members. However, from analysis of the general tendency, the opinions/views are converged into two scenarios that are elaborated below and reflecting the general tendency of views/opinions expressed during the consultations that were effected in the four countries of the Congo Basin.

Given that the two Co-Chairs have been selected and that there are ten member countries, several Donor/International Partner Organisations as well as a plethora of Civil Society and Private Sector organisations, the selection/determination of the number and types/qualities of representatives in the Governing Council (GC) becomes a tricky issue. The problem lies mainly on whether there should be political representation, whether there should be a mixture of political representation and eminent professionals, or whether only eminent professionals should be in the GC. Another tricky issue concerned who appoints members of the GC for which decision will be needed. In view of these contentiously tricky and problematic situation, two scenarios for the GC are presented below, taking into account the questions of number, composition and who determines membership in the GC, for consideration and final decision. One other important issue concerns the general feeling that the Governing Structure should be light in order to reduce costs and increase efficiency of decision-making and implementation. It is expected that the decision on the issues would be arrived at through consensus.

4.2.6 GC Scenario 1: There are 7 members of the Governing Council.

- 2 Co-Chairs;
- 1 COMIFAC President representing Country Governments;
- 1 Secretary General of ECCAS;
- 1 Congo Basin Forest Partnership Facilitator;
- 1 Civil Society Organisation (CSO) Representative;
- 1 Private Sector (PS) Representative.

Within this scenario, the problem of individual country representation by political figures, i.e., Ministers who tend to defend the interest of individual countries, is eliminated and costs are kept to manageable level. The argument here is that the selection of the GC Members should not be based on political consideration (except for the COMIFAC President) in order to ensure their neutrality from country influence in their actions.

4.2.7 Ex-Officio Members under GC Scenario 1. The following should sit in the GC on advisory basis:

- 1 Donor/bilateral/International Organisation representative;
- 1 AfDB/CBFF Secretariat representative;

1 COMIFAC Secretariat representative;

The Donor representative, AfDB/CBFF Coordinator and the COMIFAC Executive Secretary should sit in the GC with the main duties being that of resource person for information and as Minutes Secretaries (CBFF Secretariat and COMIFAC Secretariat representatives), but may be requested to leave meeting room when certain decisions are to be taken, as determined by the Co-Chairs.

4.2.8 Selection of Members under GC Scenario 1. The CSO and PS representatives have to be of high profile, reputable, credible and be very knowledgeable of the Congo Basin Forest management process/issues. They will be selected by the Co-Chairs and the COMIFAC President through a process of wide consultations and consensus. The final list of GC members should be presented to the COMIFAC Council of Ministers by the Co-Chairs and the COMIFAC President for validation.

4.2.9 Functions of the Governing Council under GC Scenario 1.

In terms of role/responsibilities the GC will be responsible for policy issues, guiding the Secretariat, the approval of the annual work-plan, budget, projects proposed for financing by the CBFF Secretariat (projects above a certain threshold, e.g., \$10 million, to be negotiated and agreed upon by the GC), appointment of management-level personnel, etc.

4.2.10 GC Scenario 2: There are 10 members of the Governing Council.

2 Co-Chairs;

1 COMIFAC President

2 Representatives from country members;

1 Secretary General of ECCAS

1 Congo Basin Forest Partnership Facilitator;

1 CSO Representative;

1 Private Sector (PS) Representative.

Within this scenario the two representatives from country members have to be eminent personalities or political figures with high profile, reputable, credible and be very knowledgeable of the Congo Basin Forest management process/issues. The individuals selected from among COMIFAC member countries may or may not be

Ministers – selection to be the prerogative of the COMIFAC Council of Ministers, but consideration should be given to their selection in order to ensure some measure of neutrality from country influence in their actions.

This scenario has taken into account political consideration by having the COMIFAC President and two other representatives from member countries as members of the Governing Council.

4.2.11 Ex-Officio Members under GC Scenario 2. The following should sit in the GC on advisory basis:

- 1 Donor representative;
- 1 AfDB/CBFF representative;
- 1 COMIFAC representative;

The Donor community will nominate one representative to be ex-officio member of the GC. The CBFF Coordinator and the COMIFAC Executive Secretary should sit in the GC as ex-officio members with the main duties being that of resource person for information and as Minutes Secretaries, but can be requested to leave meeting room when certain decisions are to be taken, as determined by the Co-Chairs.

4.2.12 Selection of Members under GC Scenario 2. The representatives from country members have to be of high profile, reputable, credible and be very knowledgeable of the Congo Basin Forest management process/issues. The individuals who are selected from among COMIFAC member countries should be capable of showing high sense of impartiality so as to be in a position to judge issues from a Sub-regional perspective, rather than being influenced by the interests of their countries of origin. They may or may not be Ministers - selection to be the prerogative of the COMIFAC Council of Ministers.

The CSO and PS representatives will be selected by the Co-Chairs and the COMIFAC President through a process of wide consultations and consensus. The CSO and PS representatives will have to be of high profile, reputable, credible and be very knowledgeable of the Congo Basin Forest management process/issues.

4.2.13 Functions of the Governing Council under GC Scenario 2.

In terms of role/responsibilities the GC will be responsible for policy issues, guiding the Secretariat, the approval of the annual work-plan, budget, projects proposed for financing by the CBFF Secretariat (projects above a certain threshold, e.g., \$10 million, to be negotiated and agreed upon by the GC), appointment of management-level personnel, etc.

4.3 Approval of the Composition/Membership of the Governing Council

The final list of the proposed members of GC, no matter the scenario selected and/or modified, should be presented to the COMIFAC Council of Ministers, by the Co-Chairs and the COMIFAC President, for validation.

4.4 The Congo Basin Forest Fund Secretariat

4.4.1 Views on the Secretariat and its Management. The background note here is that the Tunis Declaration recommended that Secretariat be hosted by the AfDB and the Bank accepted that responsibility which has its implications. Also, DFID made available a “start-up fund” for financing the Secretariat and appointed an interim Coordinator to head the Secretariat.

Generally, the various Congo Basin government representatives, bilateral and international organisations consulted are of the opinion that the CBFF Secretariat be a light structure that should make use of existing structures as much as possible in order to be cost-effective and thus enabling a good part of the finances of the CBFF to be available for the funding of field projects. Notwithstanding this general opinion, there are divergent views on the part of DFID, some donor/international organisations, Governments of Congo Basin countries, Civil Society Organisations and Private Sector Organisations as concern the Secretariat of the CBFF in terms of its location, its functions and the composition of its staff. These divergent views are also reflected in the proposed working relationship between the Secretariat and the AfDB. Under these circumstances, these divergent views have been converged into two scenarios that are presented below.

4.4.2 CBFF Secretariat under Scenario 1: The CBFF Secretariat is located at the AfDB in Tunis as a Department or Division of the AFDB in Tunis where the

Bank is the CBFF Project Manager having full Managerial Responsibilities in the CBFF, with Bureaux in Yaounde and Kinshasa. In this case it is called the AfDB/CBFF Secretariat at the level of a Department or Unit that is integrated into the organisational set-up of the Bank, although under a special status agreed upon with the Governing Council under “Memorandum of Understanding” or some form of ‘Contractual Arrangements’.

Under this scenario, the AfDB/CBFF Secretariat assumes both Technical and Financial Management Responsibilities of the CBFF. The AfDB/CBFF Secretariat takes decisions on which projects get funded, sets rules on funding procedures, keeps accounts, produces financial statements, and disburses funds to approved projects as determined by the Governing Council. In effect, this is the position of the AfDB.

The AfDB will receive applications for funding directly from prospective implementation agencies in the COMIFAC member countries for processing, i.e., assessment, evaluation and determining whether to fund or not to fund, and then periodically report to the Governing Council. A threshold will be negotiated between the AfDB and the GC on the level of project funding that the Bank can approve directly, and above which will be referred to the GC. The main arguments for this scenario are as follows:

a) A very highly positive interest and concern has been shown by AfDB, especially the Bank’s Agriculture Department and other Divisions that are keen to take forward joint work. It is on the basis of that interest and concern that decision was that the CBFF should be managed by a dedicated Secretariat hosted by the African Development Bank in Tunis. Thus the AfDB will have an important role in the management of the CBFF as the primary implementing agency.

b) The AfDB has offices in all the countries of the Congo Basin, enjoys legitimacy with COMIFAC governments, some sector expertise, and has engaged itself to support COMIFAC. Hosting the CBFF Secretariat at the AfDB would help to leverage financing from other donors, and pave the way for the Agriculture Department to mobilise additional core AfDB resources to support programmes and projects in the Congo Basin over the medium term – this will make the CBFF more transformational. On the other hand, using the AfDB financial management

procedures protects the CBFF from risk and helps to ensure Value for Money in funding activities (Cobb, Stephen and Gale, Julie: February 2008).

Within the above scenario, the role of Bureaux in Yaounde and Kinshasa may only be that of 'mail boxes' through which dossiers/applications for funding will be channelled to Tunis where the Secretariat with AfDB support will carry out the duties and evaluation of applications in order to propose approval/disqualification.

The COMIFAC Secretariat in Yaounde as well as the National Coordination Units becomes centres for collaboration and consultative activities with the AfDB/CBFF Secretariat. Dossiers/applications for funding from organisations in COMIFAC member countries are channelled straight to the AfDB/CBFF Secretariat in Tunis for processing, but copies are sent to the COMIFAC Secretariat and relevant National Coordination Unit.

For this scenario, it is proposed that there be a Consultative Technical Advisory Ad-hoc Committee (CTAC) that the Governing Council of the AfDB/CBFF or Secretariat can refer to for advice on any issues as found necessary. In terms of roles and responsibilities, the CTAC should meet about one month before the GC to examine/evaluate project proposals for funding and the technical reports and work-plans of the Secretariat, to append their motivated comments/observations and suggestions to be tabled before the GC. The Committee should be a fairly independent advisory set-up that should also review funding plans and spending. Members should elect their Chairperson, and periodic rotation of membership is recommended. A Consultative Technical Advisory Ad-hoc Committee of experts who are knowledgeable of the subject matter and the process, knowledgeable of the Sub-region, and being of high moral and professional profile, should be established. This ad-hoc Committee should be of limited membership and reports directly to the GC. The selection of members of the CTAC should be the responsibility of the GC on the basis of applications from qualified professional from the Sub-region, Africa and International from countries partners in the Congo Basin Forest process. It is here proposed to select a total of seven members of the CTAC as follows:

- 4 from Congo Basin countries;

- 2 from the rest of Africa;
- 1 selected at international level from among the non-African countries that are partners in the Congo Basin Forest Fund process.

The following recommendations are consequent for the CBFF Secretariat under scenario 1:

- There will be need for the AfDB to re-deploy staff;
- ECCAS should recruit qualified professional staff and post to CBFF Secretariat as COMIFAC Counterpart;
- AfDB Staff proposed for Yaounde and Kinshasa should be re-deployed to the COMIFAC Secretariat in Yaounde as Technical Advisers, this being one step towards capacity building;
- The two Franco-German Technical Advisers in Yaounde should actually be sitting in the COMIFAC Secretariat, and along with the two AfDB/CBFF Technical Advisers will constitute a strong team to carry out capacity building for COMIFAC. This will require that ECCAS and the COMIFAC Council of Ministers recruit four qualified technical staff as counterparts to the four International Advisers.

4.4.3 CBFF Secretariat Scenario 2: The AfDB is the CBFF Manager, but the CBFF Secretariat is decentralised to the COMIFAC Secretariat. Under this scenario, the AfDB still has the role and responsibility of the management, but the bulk of the work of the AfDB/CBFF Secretariat is decentralised and having relative autonomy is located within the COMIFAC Secretariat in Yaounde to work hand-in-hand with the COMIFAC Team. To this effect, COMIFAC should have a Technical team of qualified, experienced, competent and devoted staff in its Secretariat to act as counterparts to the Advisers from AfDB and the Franco-German Technical Advisers.

The main arguments for this scenario are as follows:

- a) The CBFF financing is meant to contribute towards strengthening of the COMIFAC Secretariat through building both financial and technical capacity building of that organisation, and this can only be effectively achieved by locating activities of the Fund at the COMIFAC Secretariat;

- b) Having the Secretariat in Tunis with Bureaux in Yaounde and Kinshasa will only go to increase costs in staffing and communication – thus may not be cost effective;
- c) The Sub-regional representation of the major collaborating Funding Agencies and Partners are located in Yaounde and/or within the Sub-region, i.e., CBFFP Franco/German Facilitation, WWF, IUCN, CEEAC, ATO, ADIE, etc., thus placing the CBFF Secretariat will increase productivity in terms of communication, day to day consultations and activities within the partnership and with COMIFAC;
- d) It is but normal that funds for activities in the Congo Basin be housed within the zone for implementation – this will better promote a sense of ownership by countries of the Sub-region;
- e) The AfDB has Sub-regional Bureau in Yaounde and country presence in all Congo Basin countries. The Sub-regional Bureau in Yaounde and country Bureaux should be utilised by the Bank for performing its role/responsibilities towards the CBFF.

The following recommendations are consequent for the CBFF Secretariat scenario 2:

- There will be need for the AfDB to re-deploy staff;
- ECCAS should recruit qualified professional COMIFAC Counterpart staff and post to the Yaounde CBFF Secretariat;
- AfDB Staff proposed for Yaounde and Kinshasa should be re-deployed to the COMIFAC Secretariat in Yaounde as Technical Advisers, this being one step towards capacity building;
- The two Franco-German Technical Advisers in Yaounde should actually be sitting in the COMIFAC Secretariat, and along with the two AfDB/CBFF Technical Advisers will constitute a strong team to carry out capacity building for COMIFAC. This will require that ECCAS and the COMIFAC Council of Ministers recruit four qualified technical staff as counterparts to the four International Advisers.

5. MANAGEMENT OF THE CONGO BASIN FOREST FUND

5.1 Fund Management

The AfDB will operate and manage a separate account for CBFF activities. This will require the production of a Management Manual that will be approved by the GC, AfDB, Funding Agencies and COMIFAC. The Operational Manual will set out how funds will be managed down the line to implementation.

5.2 Funding Mechanisms and Arrangements.

5.2.1 Roles and Responsibilities. The CBFF has to assume the role and responsibility to participate in, and be a contribution to, existing processes supporting COMIFAC in the mobilisation of funds at the local, bilateral and international levels for Congo Basin forest conservation and sustainable development efforts. An important aspect of this would be to lobby at the level of Congo Basin country Governments for them to contribute counterpart funding from their national budgets and the mobilisation of additional funding that is in assuring sustainability of financing. To this effect, it is important for the Congo Basin countries to ensure, at this very beginning, that counterpart funding for the CBFF is being integrated into national development plans as this is one of the determining factors of what would happen after the three-year pilot phase of CBFF that is UK funded. As already indicated, the U.K. start-up is a significant catalyst in the process of mobilising financial resources for CBFF. The CBFF should take advantage of existing financial mechanisms to assist in the establishment and/or strengthening of National Forestry Funds as important instruments that will contribute to the financial sustainability in forest ecosystem conservation and management.

A small grants system would be ideal for NGO/CBO level activities. It would be unfair to treat Civil Society Organisations on the same basis/level/standards as other institutions. Therefore, a special window should be opened for CSOs in the CBFF financing plan.

5.2.2 Proposed Sources Forestry Funds. There are certainly several sources of funding that can be mobilised for sustainable forest ecosystem management in the Congo Basin. Some of these have already been indicated in the COMIFAC

Convergence Plan, but the possible sources indicated below should be considered further in the light of what has already been covered by the Convergence Plan:

a) Country Member Contributions:

- Direct Annual Budgetary Allotment;
- Percentage of country member tax on forest products;
- Percentage of country member fees collected under the Forest Act;
- Percentage of country member funds that receive income from forest activities by participants in community forest programs;
- Percentage of country member receipts from timber sales from State forests;
- Percentage of country member forest-related government income and general revenues;
- Private Sector participation (may be direct on-site);
- etc.

b) Bilateral/International Assistance:

- DFID;
- German, French, etc;
- The European Union;
- GEF;
- etc.

c) Other:

- Carbon Funds;
- Donations;
- etc.

5.2.3 Proposed Use of Funds – programmes/project eligible for funding.

Generally, funds like the CDFF are usually directed to: a) Income-generating activities, e.g., wildlife, and aquaculture, etc. in forest communities; b) promotes activities to conserve and develop forest resources, particularly inventories, management, protection, tree nurseries, forestry promotion, public education, public sector forestation and forest protection; c) management of natural forests, agro-forestry, watershed restoration, forestation, reforestation, research, agro-forestry education; d) restore damaged forests, and manage and protect existing forests; e) support forest-based industries, e.g., promoting local wood processing industry by

providing capital for modernisation, marketing, or other private business activities; f) promote markets for local forest products - advertising, market research, or export assistance; g) support forest research and public education efforts, including forest extension programs; h) support private and collective efforts to improve forests and pasture lands; i) promote the conservation, protection, development and sustainable use of community forestry and may make direct payments to forest communities for specifically determined development projects; j) support non-governmental organisations (NGOs) that carry out sustainable forest management activities including the Establishment of urban tree-planting activities; etc.

However, the use of the UK initial contribution and the Start-Up Fund for CBFF will essentially be focused on three Strategic Area activities of the COMIFAC Convergence Plan that have been pre-selected by DFID for project funding (see section 2.3; page 10).

5.2.4 Project Scale. In terms of project scale, it is to propose that projects funded under the Start-Up Fund will fall within the FCFA equivalent range of £ 0.2 million to £ 1.0 million. Notwithstanding, projects falling outside this range may not necessarily be excluded from consideration as consideration should also be on a case by case basis. It is anticipated that between 7 and 15 projects and related activities will be funded (Cobb, Stephen and Gale, Julie: 2008).

5.3 Routing of Applications for Funding

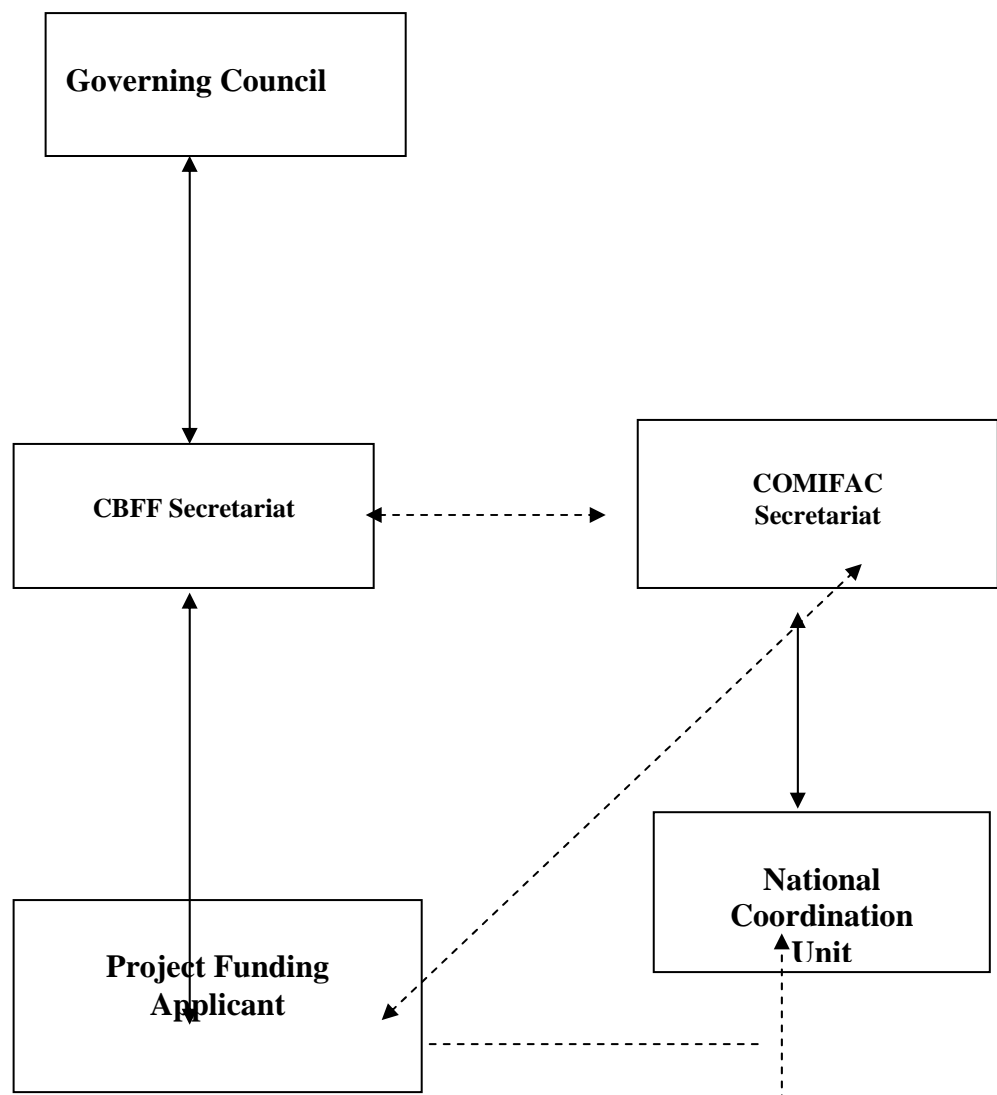
5.3.1 Routing of Applications. It is expected that all applications for funding of projects will be developed based on project identified within the COMIFAC Convergence Plan Strategic Areas. Private Sector operators wanting to fund projects directly will have to develop project proposals identified within the COMIFAC Convergence Plan Strategic Areas and send to the AfDB/CBFF Secretariat through appropriate channel for the purpose of planning, record keeping and reporting.

Two scenarios are proposed below for consideration with respect to the routing of applications for funding. In examining the scenarios, note should be taken of the need of member countries to control/have knowledge of what is going on, and the need to

have project applications get to decision-making level with minimum of administrative red-tape and unnecessary delays.

5.3.2 Funding Application Scenario 1: Funding applications sent direct to the AfDB/CBFF Secretariat by the applicant where it is analysed, assessed, evaluated and approved or rejected. The AfDB Secretariat may then recommend to the Governing Council as the case may be. Duplicates of Project funding applications are sent to COMIFAC Secretariat and the National Coordination Units for information and records. Should a case arise where COMIFAC and/or National Coordination Units have observations/comments/objections, these should be addressed to the AfDB/CBFF for discussions and line of action. This procedure for handling funding applications is depicted in the diagram below.

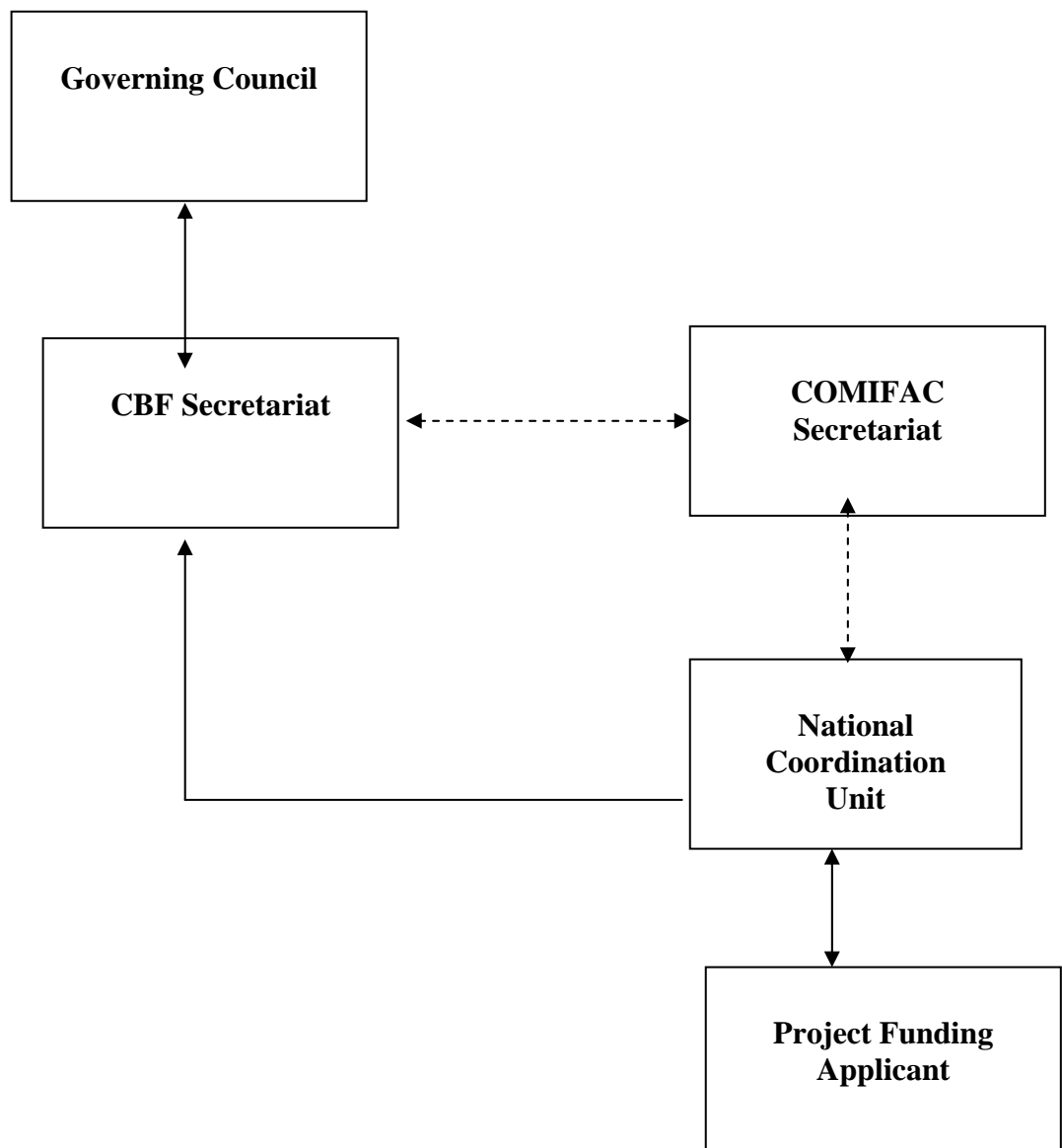
Figure 5.1: Project Funding Application under Scenario 1



5.3.2 Funding Application Scenario 2:

Funding applications are sent through the National Coordination Unit (NCU) for preliminary assessment/evaluation and screening in terms of national priorities, and then forwarded to COMIFAC Secretariat for analysis and recommendations to the CBFF Secretariat for further analysis, assessment, evaluation and approval/rejection recommendations to the Governing Council as the case may be. In this scenario, duplicates of applications are sent to the CBFF Secretariat for information and follow-up in case of delays. Should a case arise where the CBFF Secretariat has observations/comments/objections, these should be addressed to the COMIFAC Secretariat and the National Coordination Unit in questions for discussions and line of action.

Figure 5.2 Funding Application under Scenario 2.



5.4 Criteria for selection of Projects and Implementing Agencies

a) The criteria and process for project selection (Cobb, Stephen and Gale, Julie: 2008) have been elaborated in Annex 5 to this report. During the project screening process, proposals would be examined for their conformity to these criteria, and scored accordingly. It is to be expected that projects selected for funding ought to meet most, if not all the following criteria, while the programme as a whole should encompass them all:

- Conformity with CBFF's overall objectives)
- Conformity with Convergence Plan
- Project partners and beneficiaries requirements
- Technically and financially feasibility and sustainable
- Project management capacity by applicant
- Results oriented with clear objectives and risk definitions
- Be of high quality and assessed to have a real and lasting impact

The application of these criteria would be quite discerning enough to separate project proposals into the fundable and the un-fundable. If the criteria appear to have served their purpose well, they should become the criteria for the CBFF itself, subject to the approval of the Governing Council.

b) As concerns Implementation Agencies all institutions – governmental, civil society, community-base organisation, research, universities, etc. - at national and regional levels carrying out activities within the domain of forest ecosystem management in the broader sense are eligible to become implementing agencies. However, it may be advisable to form a classified network of these organisations/institutions, screen them to select credible ones that would be eligible to be maintained as implementation agencies. But that, to some level, may result to some level of discrimination.

5.5 Project Implementation Strategy.

Establish effective Information System at all levels; project for financing must focus Convergence Plan priorities; application/approval funding procedure - call for projects opened to all, i.e., government Ministries, NGOs, CBOs, Private Sector; focus on

demonstrative success-story projects that would attract funding agencies; effective reporting/feedback mechanisms required, including monitoring and evaluation; quota system for projects in terms of size and importance forest sector member countries; all application project funding through CCU, except for trans-boundary projects that should go straight to Yaounde Secretariat then Tunis; need to broaden concept of forest ecosystem to go beyond dense humid forests for timber production and include woodlands and wetland.

5.6 Reporting, Monitoring and Evaluation

Report of activities must start from country coordination units to the Technical Unit in COMIFAC, Yaounde, and to the Secretariat in Tunis. Periodic report for the attention of the GC shall be produced by the Secretariat

The system and procedure for monitoring and evaluation will be established by the Secretariat in Tunis with assistance from UNEP. This will include Mid-term evaluation, periodic monitoring and evaluation and end of project evaluations

6. CONCLUSIONS and RECOMENDATIONS

6.1 Conclusions

6.1.1 The Governments of the countries of the Congo Basin have demonstrated adequate political will to move forward towards the sustainable management of the forest ecosystems of the Sub-region through their actions within COMIFAC and the CBFFP – these are very positive moves on which the CBFF should capitalise on to get the process moving.

6.1.2 The continuation of the fund mobilisation process by the Co-Chairs will open new and long-term perspective for the internationalisation of CBFF.

6.1.3 There are many donors in the forestry sector in the Congo Basin, but thanks to the efforts of CBFFP and COMIFAC member Governments, measures towards harmonisation of multiple donor activities is progressing. The CBFF process is one

opportunity to reinforce the process of forest policy harmonisation among Congo Basin member countries, solicit more donor support, as well as strengthen the COMIFAC Secretariat.

6.2 Recommendations - Key Issues for Consideration

6.2.1 COMIFAC capacity should be build by associating it at the earlier stage at the operations of CBF. ECCAS should second a COMIFAC staff member to the CBFF Secretariat in Tunis as part of the capacity building process.

6.2.2 There is very urgent need to review the statutory standing of the COMIFAC Secretariat through reform and restructuring so that appointments to positions in the Secretariat should not be based on political considerations, but on professional qualifications, experience, competence, and managerial capabilities. Therefore, the on-going process of the harmonisation of forest policy and institutional change within COMIFAC country members should include the reform/restructuring of the COMIFAC Secretariat to enable that organisation be capable to effect good project formulation, design, evaluation and monitoring so as to achieve a high level of efficiency and effectiveness in the execution of activities. The possibility of decentralising the COMIFAC Secretariat to have Delegations in member countries to work with and/or replace NCUs should be considered. The COMIFAC President can request funding for these from UNEP, AfDB and bilateral/international organisations.

6.2.3 A study to re-profile and modernize COMIFAC and to transform it into a technical body with full expertise should be conducted for the organisation to fulfil its mandate fully according to the new challenges (climate change, REDD) to enable it to meet the exigencies of the new time.

6.2.4 Donor countries should leave the full ownership of the CBFF to the Governing Council and COMIFAC country members in order to guarantee internalisation of the Fund. On the other hand, to guarantee the internationalisation of the Fund, DFID should gradually disengage itself in the management of the CBFF Secretariat and hand it over to the AfDB, the Governing Council and COMIFAC member countries. This formula would avoid the confusing if not chaotic situation where each donor comes with their positions and conditionality.

6.2.5 Clear Strategies for innovative financing approaches and long-term funding commitments are required for effective and sustainable forest ecosystem management.

Therefore the CBFF should take advantage of multilateral funding possibilities such as the carbon fund, etc., while providing positive incentives for forest management activities through appropriate legislative action.

6.2.6 It is important for the Congo Basin countries to ensure, at this very beginning, that provision is made in their national budgets for counterpart funding towards the CBFF and integrated into their National Development Plans. This will be an important determining factor in what happens after the three-year pilot phase of the U.K. financing for the CBFF ends. The strengthening and/or establishing of National Forestry Funds should be examined in each COMIFAC member country as this is one of the important determinants for the sustainability of the CBFF .

6.2.7 A smooth transition from the three-year pilot phase to the long-term management of the forest ecosystem of the Congo Basin is very necessary so that momentum is not lost as forest management requires long-term planning and implementation. Part of this would include the periodic evaluation and update of the Convergence Plan because the plan must be put into a dynamic perspective.

6.2.8 Good knowledge of the forest resources of the Congo Basin is a requirement for sustainable forest ecosystem management – that knowledge can only be acquired through carrying out Forest Inventory throughout the Sub-region, starting with the “Trans-boundary Protected Areas”.

6.2.9 There is need to integrate the conservation and sustainable forest ecosystem management in the Congo Basin into integrated water resources, catchments and wetlands management, because of their close inter-relationships.

6.2.10 COMIFAC member countries should recruit, adequately train and equip more operational field staff for the effective supervision and control of forest products exploitation and management activities.

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ANNEXES

ANNEXE 1: Terms of Reference (TOR) for: Thomas Fofung Tata - UNEP Consultant for the setting up of the Congo Basin Fund (CBFF) Governance Structure.

1.1 Background

In March 2007 the British Government donated £50 million for the sustainable management of the Congo Basin Ecosystem. It was then decided to create a special fund for the Congo Basin, called the Congo Basin Fund (CBFF), intended to be performance based, and managed with transparency and accountability.

The main Mandate of the CBFF is poverty alleviation and the prevention of deforestation, while its Intention is to support components of the Convergence Plan of the Central African Forests Commission (COMIFAC)

Professor Wangari Maathai and Former Canadian Prime Minister Paul Martin were appointed, by then British Chancellor of the Exchequer Gordon Brown, to be co-Chairs of the CBFF. Their first mandated task is to participate in the setting up of a governance structure for the Fund. Since their appointment, the co-chairs of the Congo Basin Fund (CBFF) have conducted consultations with Heads of State and Ministers of COMIFAC countries, the COMIFAC Secretariat, DFID, civil society organisations, members of the Congo Basin Forest Partnership (CBFFP) and others. Several working sessions, including teleconferences, have been organised. As a result key documents/presentations regarding their vision of the Governance Structure have been drafted and these will serve as a basis for the work of the consultant.

1.2 Terms of Reference

1. Objectives

The following shall be the objectives of this assignment:

- 1) To clarify the ambit of the Governance Structure, and define its design, scope and limitations
- 2) To define an informed starting point for operations of the Governance Structure of the Congo Basin Fund
- 3) To optimise on the expenditure of time, funds and resources that would otherwise be wasted due to lack of precise direction

2. Outputs

The setting up of the Governance Structure is a complicated task, with complex political and managerial implications. The following outcomes from the consultation will reduce the impact of these potential complications by providing clear structures, definitions and guidelines for the Governance Structure to operate from.

- 1) Recommendation on design for the Governance Structure, and which organs it should have, including the respective roles and responsibilities of each organ (e.g. Executive Board, Technical Committee?, Monitoring & Evaluation?);
- 2) Propose the composition and arrangement of the various organs within the structure (e.g. who sits on the Executive Board, Technical Committee etc?);
- 3) Draft rules, procedures and guidelines for the carrying out of activities and decisions within the Governance Structure;
- 4) Proposed criteria for the submission and approval of project proposals;
- 5) Proposed project implementation process;
- 6) Define the relationships between the Governance Structure and third parties such as COMIFAC, the World Bank and the African Development Bank.

3. Roles and Responsibilities

The Consultant shall fulfil the following roles and responsibilities and provide answers to the following questions:

- 1) Stakeholder analysis in consultation with relevant governments and civil society representatives

- 2) In consultation with relevant stakeholders define and make recommendations on the Governance Structure of the Congo Basin fund.
 - i) Define the Organs of the Congo Basin Fund Governance Structure, which should be straightforward and operational
 - ii) Define how the organs of the Governance Structure will relate to each other, and propose 2 or 3 options for this:
 - (a) The hierarchical order of the organs, and reporting relationships
 - (b) The decision-making parameters of each organ and referral procedures when not competent to decide
 - iii) Define the roles and responsibilities of the organs of the Governance Structure
 - iv) Determine the compositional framework of the various organs (how will they choose their component members, the terms of their individual members and their decision-making and reporting procedures)
 - v) Develop guidelines for the decision-making processes of the various organs, including impasse-breaking
 - vi) Where will the various organs of the Governance Structure be based?
 - vii) Define through a consultative process the role of COMIFAC in the Congo Basin Fund?
 - viii) Define through a consultative process the role of UN bodies, Regional Organisations, local and international NGOs etc.
 - ix) Assess the potential weaknesses in the governance Structure that could create/provoke a crisis in the structure or affect its operations or performance.
 - x) Define through a consultative process the relationship between the Fund and the CBFFP?
- 3) Management of funds
 - i) Develop a tracking system for disbursement, expenditure and effectiveness of allocated funding
 - ii) Develop safeguards against diversion of funds
 - iii) Develop parameters for determining the maximum amount of money to be disbursed to each country/ project
- 4) Project Management
 - i) Define criteria for the selection of projects in line with the mandate of the Fund
 - ii) Establish metrics for “success”, “results” and “impact” of projects
 - ii) Define step by step the Project Selection process (e.g. from “Call for submission of Project Proposals” to “assessment and evaluation”)
 - iii) Make recommendations on who may present project proposals (e.g. Governments? Civil society? International organisations? Individuals?)
- 5) Implementation

Through a consultative process and considering vulnerable groups propose criteria for selection of implementing agencies/bodies. [(e.g. is sub-contracting permissible, and under what conditions? Should proposals be considered only from certain organisations/form governments/from individuals?)
- 6) Monitoring, Evaluation and Assessment
 - i. Propose criteria for the monitoring of projects, including efficient use of resources, adherence to rules and regulations, proper use of funds
 - ii. Propose criteria for assessing the success of projects and a rating system to determine whether there is merit for further funding.

4. Competencies

The candidate shall be a senior consultant with the following Competencies:

- 1) Relevant experience in establishing global funds
- 2) Relevant experience in the field of sustainable resource management
- 3) Financial Management and Analytical skills and suitable research experience
- 4) Project Implementation, Monitoring and Evaluation skills, as well as reporting experience
- 5) Prioritization and Self-motivation skills, including the ability to work without supervision
- 6) Languages: Excellent communication and writing skills in French and English are required

5. Other Attributes

- 1) Proven commitment to sustainable development and environmental conservation
- 2) Nationality of or Residence and working experience in one of the Congo Basin countries is an asset

6. Working Sessions/ Consultations

- 1) In developing the programme and generating his report, the consultant shall be required to consult with stakeholders and to organise working sessions with:
 - i. DFID
 - ii. COMIFAC Governments
 - iii. The CBFF co-Chairs
 - iv. The World Bank
 - v. The African Development Bank
 - vi. COMIFAC Secretariat
- 2) The consultant shall be required to travel to the following locations:
 - i. Yaoundé, Cameroon (to visit COMIFAC)
 - ii. Gabon,
 - iii. Nairobi, Kenya
 - iv. London, UK
 - v. Tunis, Tunisia (focus on Africa Water Facility, which is hosted by the AfDB)

7. Consultant Contract

- 1) The duration of the contract will be from 18 February to 1ST April 2008
- 2) The Consultant will submit his findings and recommendations to the Co-Chairs of the Congo Basin Fund through UNEP as follows:

20 March 2008

First report Submitted for review to the co-Chairs COMIFAC, and DFID;

30th April 2008

Final version of the report submitted for implementation.

NB: As the consultant should present a working model which will be followed and implemented it is advisable that he conduct a simulation exercise to determine the feasibility of his recommendations/findings on the CBFF Proposed Governance Structure.

ANNEXE 2: PERSONS CONTACTED.

KINSHASA (14 – 15 April 2008)

Ir Emmanuel LIBENDELE LOBUNA – Principal Adviser to the President in charge of Agriculture, Fisheries, Livestock and environment.

Mr. ----- - Secretary General, Ministry of the Environment, Nature Conservation and Tourism.

ILANGA LOFONGA Jose - Technical Adviser, Ministry of the Environment, Nature Conservation and Tourism.

MALELE MBALA Sebastien - Director of SPIAF/MECNT, Ministry of the Environment, Nature Conservation and Tourism.

Vincent KASULU SEYA MAKONGA - Director of Sustainable Development, Ministry of the Environment, Nature Conservation and Tourism.

KANU MBIZI Leon - Director, Forestry Expert, Ministry of the Environment, Nature Conservation and Tourism.

TAMBWE MUTINDI-MOYO - Director of Forest Management, Ministry of the Environment, Nature Conservation and Tourism.

MWANAMBUYU KABALA – Director, Coordination Unit of the PNFoCo

Mme Françoise VAN DE VEN - Secretary General, Federation of Timber Industries, DRC.

Edie MACKILA – Adviser, SNV

Carine KANYEBA - Programme Assistant, CARPE-USAID/IUCN

Modeste ZIHINDULA - SNV

Flory BOTAMBA ESOMBO – CRON/REPEC

Clovet HAMBADIAHANA - SNV

Joseph ITONGWA MUKUMO – Focal Point of North Kure, National League of Indigenous Pygmies of the Congo

BRAZZAVILLE (17 – 18 April)

S.E.M. Henri DJOMBO – Minister of Forest Economy

Valere Gabriel ETEKA-YEMET – Director of Cabinet, Ministry of Forest Economy.

Gregoire MOUA-LIKIBI - Director of Cabinet, Ministry of Environment and Tourism.

Mario Patrice MACKOLOKI - Director of Cooperation, Ministry of Forest Economy.

Mme KABI – Technical Adviser in charge of Wildlife, Ministry of Forest Economy.

Guy Barthelemy MOUSSOKI – Attache for Communication, Ministry of Forest Economy.

Antoine MOUTSOUKA-MAMONA – Attache for the Environment, Ministry of Tourism and Environment

BOUNDZANGA Georges Claves - Ministry of Forest Economy.

Isaac MOUSSA – Regional Coordinator, African Forestry Action Network (RAAF).

LIBREVILLE

ADANDE Michael – Secretary General, Ministry of Forest Economy, Water, Fisheries and National Parks.

MAMFOUMBE Emile - Technical Adviser and National Coordinator for COMIFAC, Ministry of Forestry Economy.

ANGOUE-ONDO Jean Mathieu – Technical Adviser on Legal and Fiscal Affairs.

TCHOUNGUI Roger – Deputy Secretary General, ECCAS.

MBONGUY-DOUMAMBILA Charles-Elie, ECCAS.

TCHOUNGUI Roger – Deputy Secretary General, ECCAS (CEEAC).

DANSALA Bambe – Permanent Secretary, ADIE.

BOLEMBISSA Jean Pierre – DAF and Acting Technical Director, ADIE.

AGNANGOYE Jean-Pierre – Executive Secretary, Network of Protected Areas of Central Africa (RAPAC).

H.E. Ambassador Hans-Dietrich BERNHARD: Embassy of the Federal Republic of Germany, Libreville.

Fabien SODET: Sustainable Development Section, Forest and Environment for Central Africa Region, European Union Delegation.

Nathalie NYARE ESSIMA: WWF Gabon Country Programme Office.

Constant ALLOGO: Focal Point for Gabon, Central Africa Regional Programme for the Environment (CARPE).

YAOUNDE

KOULAGNA KOUTOU Denis: Secretary General, Ministry of Forestry and Wildlife.

Samuel MAKON WEHIONG: Delegate Facilitator of the Congo Basin Forest Partnership, GTZ/Support to COMIFAC.

Raymond NDOMBA NGOYE: Deputy Executive Secretary and Technical Coordinator, COMIFAC.

Martin Tadoum: Assistant Technique, COMIFAC;

Charles BONHOMME: French Cooperation.

Claus-Michael Falkenburg: Conseiller GTZ aupres de la COMIFAC

Bihini Won WA MUSITI: Acting Regional Director for Central Africa and Programme Coordinator, IUCN.

Laurent Magloire SOME: WWF Regional Representative for Central Africa.

Kenneth ANGU ANGU: Regional Programme Manager, Central Africa Regional Programme for the Environment (CARPE).

MBA Samuel: African Development Bank Regional Bureau for Central Africa.

Mme GALEGA Prudence: Executive Secretary, Network for Environment and Sustainable Development in Central Africa (NGO).

NJAMNSHI Augustine: Executive Secretary, Bioresources Development and Conservation Programme, Cameroon (NGO).

TELECONFERENCE

H.E. NGOLLE NGOLLE, Elvis, Minister of Forestry and Wildlife, Cameroon
Forestry and Protected Areas, Cameroon

Hans SCHIPULLE: Chair German Facilitation CBFFP

Amanda DUFF: Interim Coordinator, CBFF

Steve COBB: DFID Consultant, CBFF

UNEP in NAIROBI

Ibrahim THIAW: Director, DEPI

Constant-Serge Bounda: Ad-hoc Support Unit to the Co-Chair CBFF, UNEP;

Peter Acquah: Acting Director, ROA

Nehemiah Rotich: Snr. Programme Officer, Biodiversity, ROA

Angele Lug Sy: Programme Officer (Information), ROA

Mohamed : ROA

Johannes Refisch: Project Manager, UNEP/DEPI/Grasp Unit;

Milanie Virtue: GRASP Project Coordinator;

Niklas Hagelburg: Programme Officer, Freshwater & Terrestrial Ecosystems Branch, DEPI;

Gerald Kafeero: Fund Management Programme Officer, Budget and Fund Management Service;

Theodore N. Kapiga: Officer in Charge, Cooperate Services Section;

Moses Ajibade: Finance Specialist, Treasury Section:

AFDB in TUNIS

Ken B. HOHN: Manager, Agriculture and Agro-Industry (OSAN), AfDB;

ABDOULAYE DAGAMAÏSSA: expert Forestier, Agriculture and Agro-Industry (OSAN), AfDB;

Modibo TRAORE: Expert nvironnement, Agriculture & Developpent Rural Centre Ouest (OCAR),
AfDB;

KAZUMI LARHED: Head of Partnership and Cooperation Unit, AfDB.

ANNEXE 3: SUMMARY COMIFAC CONVERGENCE PLAN AND STRATEGIC AREAS OF ACTIVITIES

1 : Harmonisation of forest and taxation policies.

- 1.1 International Conventions
- 1.2 Harmonisation of forest policies and aligning forest policies with other sector policies
- 1.3 Harmonisation of taxation policies

2 : Knowledge of the resource

- 2.1 Inventory of forest resources (timber, non timber, medicinal plants & wildlife)
- 2.2 Strengthening and/or setting up national and regional observatories

3 : Management of ecosystems and reforestation

- 3.1 Organisation of forest area
- 3.2 Management of forest concessions and protected areas
- 3.3 Regeneration and reforestation
- 3.4 Combating desertification

4 : Biodiversity Conservation

- 4.1 Strengthening the network of national protected areas
- 4.2 Joint management of transboundary zones and protected areas
- 4.3 Phyto-genetic resources

5 : Sustainable use of forest resources

- 5.1 Economic development of the timber, wildlife, NTFPs and tourism sub-sectors
- 5.2 Monitoring the management and utilisation of resources / control
- 5.3 Forest certification and traceability
- 5.4 Combating illegal exploitation and poaching

6 : Development of alternative activities and poverty alleviation

- 6.1 Alternatives to poaching
- 6.2 Income-generating micro-projects for the local population

7: Capacity building, stakeholder participation, information, training

- 7.1 Participation of stakeholders / forums
- 7.2 Involvement of the local population
- 7.3 Communication, information, sensitisation, education
- 7.4 Vocational and continuous training.

8 : Research Development

- 8.1 Design research programmes consistent with forestry policies
- 8.2 Develop partnerships between research bodies, users and specialized institutions
- 8.3 Introduce appropriate methods to harvest, regenerate, use, process NTFP & medicinal plants
- 8.4 Harnessing traditional knowledge on the conservation and use of natural knowledge
- 8.5 Develop a consultation framework & early warning systems to prevent human-wildlife (and reverse) disease transmission

9 : Development of funding mechanisms

- 9.1 Support the establishment of National Forestry Funds in all States
- 9.2 Create a sub-regional Trust Fund
- 9.3 Institute a levy on revenue from forest exploitation for funding of the Convergence Plan
- 9.4 Foster partnerships with the private sector to promote international trade of Central African forest products
- 9.5 Promote the creation of trust funds at national and sub-regional level
- 9.6 Develop new funding mechanisms (carbon sinks, Kyoto Protocol, trust funds, HIPC debt conversion, etc)
- 9.7 Introduce conversion taxes on forest areas which have been clearly allocated for other activities
- 9.8 Develop partnerships with flagship sub-regional programmes and projects to support the coordination activities of the Convergence Plan

10 : Regional cooperation and partnerships

- 10.1 Developing platforms for collaboration and partnership with all initiatives and cooperation agencies working toward the sustainable management of forest ecosystems
- 10.2 Joint establishment and enforcement of ethical standards on the technical and financial management of jointly-funded sub-regional projects and programmes
- 10.3 Encourage stakeholders in the management of forest ecosystems in the Congo Basin to organize and comply with their code of ethics in keeping with the guidelines of the Convergence Plan

ANNEXE 4: THE TUNIS DECLARATION



**BURUNDI - CAMEROUN - CONGO - REPUBLIQUE CENTRAFRICAINE - GABON
GUINEE EQUATORIALE - REPUBLIQUE DEMOCRATIQUE DU CONGO - RWANDA
SAO-TOME & PRINCIPE - TCHAD**

CONFERENCE INTERNATIONALE SUR LES MECANISMES DE FINANCEMENT DE LA GESTION DURABLE DES ECOSYSTEMES FORESTIERS DU BASSIN DU CONGO

Tunis, 21-22 Février 2008

Déclaration de Tunis sur les mécanismes de financement de la gestion durable des écosystèmes forestiers du Bassin du Congo

1. Préambule

- 1.1 Vu la Déclaration des Chefs d'Etats d'Afrique Centrale dite « Déclaration de Yaoundé », du 17 mars 1999, sur la conservation et la gestion durable des écosystèmes forestiers d'Afrique Centrale, la résolution n°54/214 du 1^{er} février 2000 de l'Assemblée Générale des Nations Unies et le Traité signé le 5 février 2005 instituant la Commission des forêts d'Afrique Centrale (COMIFAC);
- 1.2 Nous, Représentants des Gouvernements des pays membres de la COMIFAC, des organisations du Système des Nations Unies, des organisations internationales et sous-régionales, des institutions financières multilatérales, des partenaires bi et multilatéraux et des organisations de la société civile des pays d'Afrique Centrale, participant à la conférence internationale sur les mécanismes de financement de la gestion durable des écosystèmes forestiers du Bassin du Congo, organisée du 21 au 22 février 2008 à Tunis par la Banque Africaine de Développement, en collaboration avec la COMIFAC;
- 1.3 Reconnaissant l'importance de la gestion durable des ressources naturelles, les risques de dégradation de ces ressources, le rôle social, culturel et économique des forêts et leur contribution dans la lutte contre la pauvreté notamment en zones concernées;
- 1.4 Soulignant le rôle important des services environnementaux et des écosystèmes forestiers d'Afrique Centrale comme habitats, réservoir de biodiversité et de carbone, pour la régulation du climat et le maintien des équilibres écologiques;
- 1.5. Considérant les recommandations et les résultats des sommets mondiaux sur l'environnement et le développement durable tenus respectivement à Rio de Janeiro en juin 1992 et Johannesburg en septembre 2002;
- 1.6. Rappelant les recommandations de la Déclaration ministérielle sur l'application des législations forestières et la gouvernance en Afrique (AFLEG) d'octobre 2003 à Yaoundé;
- 1.7 Considérant les efforts consentis par les pays membres et les partenaires du PFBC (partenariat pour les forêts du bassin du Congo) en matière de conservation et de gestion durable des écosystèmes forestiers de l'Afrique Centrale;

1.8 Considérant la Décision de la 13^{ième} Session de la Conférence des Chefs d'Etats et de Gouvernements, tenue à Brazzaville en République du Congo, le 30 octobre 2007, faisant de la COMIFAC un organisme spécialisé de la CEEAC.

2. Engagements

Nous, Représentants des Gouvernements des pays membres de la COMIFAC,

2.1 Réaffirmons notre engagement à:

- i. Poursuivre nos efforts pour promouvoir la conservation et la gestion des écosystèmes forestiers de nos pays respectifs pour la lutte contre la pauvreté, en vue d'un développement durable;
- ii. Prendre toutes les mesures nécessaires pour faciliter la mise en place du mécanisme de financement pérenne de la COMIFAC et des institutions partenaires chargées de la mise en œuvre du plan de convergence, plate forme commune d'actions stratégiques prioritaires pour la conservation et la gestion durable des écosystèmes forestiers d'Afrique Centrale;
- iii. Accroître substantiellement les ressources humaines et financières affectées à la conservation et à la gestion durable des écosystèmes forestiers;
- iv. Encourager la CEEAC à assurer un appui financier conséquent et un encadrement à la COMIFAC et à ses institutions partenaires dans la mise en œuvre et le suivi des procédures de gestion budgétaires et techniques rigoureuses et transparentes.
- v. Renforcer la participation de toutes les parties prenantes, dont les communautés locales, dans la prise de décision dans le secteur forêt-environnement, afin de promouvoir la transparence et favoriser une meilleure équité dans la gestion des ressources.

2.2 Lançons un appel à tous nos partenaires techniques et financiers, particulièrement aux Gouvernements des pays du G8 qui se réuniront très prochainement au Japon, afin qu'ils apportent un appui plus important aux efforts de gestion durable des écosystèmes forestiers du Bassin du Congo ;

2.3 Invitons la communauté internationale à appuyer davantage les efforts de paix dans les pays du Bassin du Congo;

2.4 Invitons la BAD à catalyser de nouveaux financements durables en faveur du Bassin du Congo;

2.5 Invitons la Banque Mondiale et la BAD à assister les Etats de l'espace COMIFAC dans les phases de préparation et de mobilisation des crédits de carbone;

2.6 Nous, Partenaires au développement, réaffirmons notre engagement à :

- i. Conjuguer nos efforts pour appuyer les réformes engagées dans le secteur forestier par les pays d'Afrique Centrale, notamment les programmes de bonne gouvernance, le renforcement des capacités techniques et opérationnelles du secteur forestier;
- ii. Soutenir davantage les pays d'Afrique Centrale dans leurs efforts de conservation et de gestion durable de leurs écosystèmes forestiers, notamment la mise en œuvre du Plan de Convergence en mobilisant des ressources financières adéquates et conséquentes;
- iii. Renforcer notre effort de coordination et de concertation dans le cadre du PFBC;
- iv. Appuyer la mise en place auprès des populations dépendantes des ressources forestières, des initiatives permettant la réduction des activités illégales, l'allègement de la pression sur les écosystèmes forestiers et la lutte contre la pauvreté;
- v. Renforcer la COMIFAC et les institutions sous-régionales partenaires à remplir leurs mandats respectifs dans le cadre de la mise en œuvre du plan de convergence
- vi. Accompagner la COMIFAC dans le développement et la mobilisation des financements novateurs et durables qui puissent permettre aux pays d'Afrique Centrale de disposer des ressources pérennes et prédictibles pour atteindre les objectifs de gestion durable des écosystèmes forestiers ;

- vii. Renforcer les mécanismes de financements pour la gestion durable des écosystèmes forestiers en cours en Afrique Centrale.

2.7 Nous, en outre, Banque Africaine de Développement, réaffirmons notre engagement à:

- i. Appuyer la COMIFAC et ses institutions partenaires pour la mobilisation des financements additionnels auprès d'autres institutions financières internationales et partenaires au développement;
- ii. Soutenir la réalisation du Programme de conservation et de promotion de l'écotourisme dans le Bassin du Congo;

Poursuivre notre appui dans le renforcement des capacités, y compris l'éducation environnementale centrée sur la conservation des écosystèmes forestiers dans les programmes scolaires, extrascolaires et universitaires, afin de permettre une plus large participation au bénéfice des générations futures;

2.8 Nous, acteurs de la société civile et autres parties prenantes, réaffirmons notre engagement à:

- i. Mobiliser les communautés de base, y compris les populations autochtones et autres bénéficiaires en vue de leur participation effective à la planification et à la gestion durable des écosystèmes forestiers d'Afrique centrale;
- ii. Poursuivre l'effort dans la mise en œuvre du plan de convergence de la COMIFAC.

3. Nous, Participants à la Conférence:

3.1 Soutenons le processus de mise en place du Fonds Spécial pour les forêts du Bassin du Congo au sein de la Banque Africaine de Développement ;

3.2 Félicitons le Royaume Uni pour son don, la BAD pour l'octroi d'une allocation en faveur des forêts du Bassin du Congo et encourageons les autres partenaires à faire de même;

Fait à Tunis, le 22 février 2008

LA CONFERENCE

ANNEX 5: CRITERIA FOR SELECTION OF PROJECTS

(Adopted from Cobb, Stephen and Gale, Julie: 2008, “Stabilising priorities and project selection criteria”).

A5.1 Process.

This part of the report describes the types of project that might be funded by the Start-Up Fund the projects for which have to be drawn from lists in Strategic Areas 2, 6, & 9 of the COMIFAC Convergence Plan, the means by which they would be selected, the management systems which would be needed to support them, and the timetable that might be envisaged for getting going. It also touches on the types of institution that would be eligible to apply.

However, this will need to be reconciled with the “Framework Document” and the “Operational Manual” being developed by the AfDB for the purpose of the CBFF management.

A5.2 Project Selection Criteria

It is to be expected that projects selected for funding ought to meet most, if not all the following criteria, while the programme as a whole should encompass them all. During the project screening process, described a little further on, proposals would be examined for their conformity to these criteria, and scored accordingly. Only those proposals exceeding an appropriate threshold would be considered for funding. A method of screening the proposals based on a total evaluation of 100 points selection process is described below (Cobb, Stephen and Gale, Julie: 2008).

a) Conformity with CBFF’s overall objectives and COMIFAC Convergence Plan (Max. score: 35)

- Slow the rate of deforestation
- Reduce poverty
- Contribute to global climate stabilisation
- Transform
- Conform as closely as possible to agreed priorities identified in the COMIFAC Convergence Plan (Strategic Areas 2, 6 and 9)
- Assist the livelihoods of rural forest dwellers, either directly or indirectly, in ways compatible with sustainable forest management
- Demonstrate the advantages of partnerships between some or all of government agencies, other donor agencies, private sector operators, NGOs and civil society (note that this list is not dissimilar to the membership structure of the CBFFP)
- Build capacity in local, national or regional institutions and through professional training provided to individuals

b) Technical criteria (Max. score: 15)

A proposal would be expected to demonstrate at least some of the following technical attributes:

- Contribute to improving the governance of the forest sector, through improved management, taxation, law enforcement, control
- Support the long-term financial sustainability of interventions
- Contribute to maintaining the integrity of the Congo Basin forest as an intact ecosystem
- Provide evidence of innovative approaches to forest management, or to developing intrinsic values of the forest and its environmental services (through payment for ecosystem services, carbon trades through the evolving REDD system etc)
- Relieve pressure on forests through development of alternative economic activity
- Clear understanding of context

c) Project management (Max. score: 50)

- Strong management capacity within partnership
- Clearly defined roles for project partners
- Realistic work programme
- Quality of named personnel
- Be planned around a results framework, with a set of milestones that could be used to define a payments schedule
- Clear project objectives and design
- Probability of achieving intended results
- Be of high quality
- Likely to have a real and lasting impact

For criteria a), b), & c), the selection panel will need to assign scores to the various indicators listed, working on consensus basis after discussion.

The application of these criteria would be quite discerning enough to separate project proposals into the fundable and the un-fundable. This does not mean that all proposals exceeding the threshold would necessarily be funded, but it would provide an objective basis for reducing the number of proposals only to the best, and most pertinent. If the criteria appear to have served their purpose well, they should become the criteria for the CBFF itself, subject no doubt, to the approval of the Governing Council, depending on the threshold allowed to the CBFF Secretaria.

A5.3 Project Scale

It is to be expected that projects funded under the Start-Up Fund will fall into the range of £ 0.2 million to £ 1.0 million. Projects falling outside this range will not be excluded from consideration, however. It is anticipated that between 7 and 15 projects and related activities will be funded.

Given the Star-Up Fund pilot phase of three years, funding agreements would need to be committed towards the end of 2008 and work on the projects and final payments would need to be concluded by the end of 2011. However, it would be necessary to make provisions for for projects that may go

beyond the three-year pilot phase, i.e., transition from the pilot to the fully operational phase of the CBFF. This may particularly be the case with projects which involve environmental and community development or behavioural objectives present particular challenges which must be taken into consideration in this regard.

A5.4 Results Framework and Payments Against Results

It is anticipated that proposals will be organised around results frameworks, with a timetable of suitable measures of achievement against which payments can be made. Clearly, an initial payment needs to be large enough to allow the project the cash liquidity to be operational for long enough to achieve the first milestone, and to continue operating until the next payment is made. It is in no-one's interests to create a suite of projects that falter for reasons of cash management. It is in everyone's interests to design projects that deliver expected results.

Thus, although project proposals submitted will be required to include a results framework, the temptation to require overly narrow or sharply defined pre-conceived results is to be resisted. Frames of reference for project evaluation and payment schedules must allow a sufficient level of flexibility so as not to prejudge the project outputs, particularly when encouraging these to be innovative and, therefore, to entail an important level of uncertainty.

There is one exception to this system of payments by results: should it be decided to make a grant, or grants, to any of the environmental trust funds in the region, payment by results would not be possible. The whole point of securing long-term finance for endowment funds is that results come later, not within the lifetime of a grant agreement.

A5.5 Eligibility

It is suggested that only project proposals from *partnerships* comprised of combinations of Government, NGO, private organisations, associations of other institutions, etc., should be accepted by any combination of any entities that are working for the improved management of the Congo Basin rainforests and/or reducing poverty of those living in and near to them. The Congo Basin Forest Partnership membership will provide the CBFF with a starting list of possible entities; although applications will be receivable from others. Proposals that do not intend to build capacity of organisations within the region will score poorly. Proposals would be acceptable, that sought complementary funding for an existing project, provided that other criteria were met and priorities respected.

A5.6 Project Screening and Review

It would be desirable to use the selection criteria as part of a hierarchical screening process proposed as follows:

i) Call for direct application with detailed Terms of Reference:

- One way of doing this would be to examine in detail only those proposals which score highly on the first five criteria listed in Section 2.1.2 above. These five are essentially about project content and its conformity with the objectives of the CBFF and COMIFAC's convergence plan. The five criteria have a joint weighted score of 50:
- Detailed examination could be reserved for those which pass through the first filter. The remaining three criteria are about project design and management. They too have a combined weighted score of 50.

ii) Call for Expression of Interest:

- An alternative way of conducting a filtration process is to invite a first round of short (2-page) proposals; followed by a second round of full proposals for those that pass the first-level filtration. This is efficient regarding time, but it undoubtedly is a longer process, and time is going to be of the essence in getting the Start-Up Fund up and running. We would therefore not recommend it;

If the first approach is adopted, it would only be after the second level of screening that discussions with proponents take place, both about the technical content of proposals, and about cost and value for money.

A5.7 Generating and Selecting Proposals

There are two alternative approaches to project selection in the make-up of the Start-Up Fund. One could pick and choose good projects from an existing shopping basket, and by cultivating proposals from the marketplace. Such projects would need to score well against the basic set of criteria listed above. Alternatively, one could advertise to solicit proposals that should be designed to meet those criteria. Advertisement could be conducted through the channels of the COMIFAC Secretariat in Cameroon, the CBFFP Secretariat in Germany, in the Economist and Jeune Afrique, for example.

A5.8 Selective Invitation

a) The shopping basket approach would allow CBFF governance structures a measure of control over the process, as it encouraged bidders to construct their proposals to meet the criteria, and in the light of an agreed rough proportional allocation by type of intervention, by recipient country, and so on. Those who are not invited to the dialogue will feel aggrieved, which may or may not matter in the long run.

b) The second approach is more transparent, but creates a heavier administrative workload, if many proposals are received (as they surely would be). The proposals may very well not meet the

requirements, and those provisionally selected will still need a good deal of interaction with whoever assists in this process. The process is likely to consume a lot of additional time, and may make it difficult to commit the funds within the time frame envisaged. This is, nevertheless, the approach favoured by Governments.

A5.9 Recommended Action

It is recommended that the final, agreed priorities, criteria and other details outlined above will be turned into an advertisement and bidding document. It is advised that this should be advertised only through the CBFPP membership circulation list and be posted on their website, to allow for transparency.