
Ibi Bateke tree planting project in DRC: Sold as the success it never was



Advertised as "ground-breaking" and the first CDM (1) project in the Democratic Republic of Congo, the Ibi Bateke tree planting project promised to use loans and up-front carbon payments to plant acacia, eucalyptus and pine trees on ca. 4,000 hectares of savannah and restore 230 hectares as "ecological area" through planting of native tree species. (2) After 5 to 7 years, the plantation trees would be cut and turned into charcoal to be sold on the lucrative charcoal market in the country's capital Kinshasa. In the early years, before the tree canopy closes, revenue was also to be generated from the sale of cassava planted beneath the acacia plantation trees. The project owner, a company called Novacel, expected these three activities – the sale of charcoal and cassava, along with revenue from carbon credit sales - to generate enough money so the project could cover project costs, pay back the loans and replant the trees cut down to make charcoal. (3) Novacel describes the charcoal as "sustainable" because of the promise to replant the trees that are turned into charcoal.

Replanting is also required because the project sells carbon credits, among others to the World Bank BioCarbon Fund. (4) Carbon credits are a promise: Ibi Bateke plants trees that store carbon and which the project claims would not have been planted without revenue from carbon credit sales. This allows investors in the BioCarbon Fund like Sumitomo Chemicals or Tokyo Electric Power Co., two Japanese companies who receive carbon credits in return for their investment to claim that their emissions do not harm the climate because they have paid the Ibi Bateke project to plant extra trees. Project consultants have calculated that these trees are soaking up 54,511 tonnes of carbon dioxide every year during the 30-year life of the project - 2.4 million carbon credits over 30 years, in other words. The consultants also claim to know that the trees would not have been planted and that the carbon would not have been stored without the project. To keep that promise to store carbon that otherwise would have remained in the atmosphere, the trees cut for making charcoal need to be replanted.

Why? Because when the charcoal is burned, the carbon that was stored in the trees is released back into the atmosphere. The buyer of the carbon credit, however, paid the Ibi Bateke carbon project to keep the carbon out of the atmosphere so the buyer himself could emit more carbon without violating

a legal emission limit. So, in order to keep the carbon credit promise of compensating for those emissions made somewhere in an industrialized country by the buyer of the carbon credit, the project needs to replant the trees that were turned into charcoal.

The Ibi Bateke project also promised to use a part of the income from selling carbon credits for community projects. "Congo community to use carbon payment to put kids through school" was the headline of a World Bank press release in March 2011, when the BioCarbon Fund announced it would be buying carbon credits from the project. (5)

Who is behind the Ibi Bateke carbon tree planting project?

Novacel is a private company created by the late Paul Mushiete Mahamwe, Minister of Finance in DRC under former President Mobutu. His three children own the company, with his son Olivier Mushiete acting as the company's director. Olivier Mushiete, a long-term resident in Belgium, launched the Ibi Batéké project in 1995. He also presents himself as a traditional chief of the land included in the Ibi Bateke carbon project, and several World Bank documents refer to Novacel as a company founded by 'natives of the Bateke region'. Olivier Mushiete also created a non-profit organization, GI-Agro, which manages funds allocated to 'community development' projects' for Novacel.

Olivier Mushiete and his siblings claim to have personally inherited 22,000 hectares of land from their late father. Olivier Mushiete is said to have titled 8,000 hectares of the land under his name and registered it as a concession (contrat d'emphyteose). The land rented to Novacel for the Ibi Bateke carbon tree planting project is a portion of these 8,000 hectares of land O. Mushiete turned into privately-held land. A report about the land rights in the project area (6) states that therefore, "legally, Olivier Mushiete is the primary beneficiary of all revenues generated by the Ibi-Batéké project". The study further notes that by "obtaining a legal title over the 8,000 ha of project activities, in addition to having the land recognized by the Chefferie as privately-held land, Olivier Mushiete seems to have effectively extinguished any competing customary claims over Ibi estate by other clan members." The report does not say whether there were other claims to this land or how those people reacted who may have seen their customary rights to the land effectively extinguished. Another question not addressed in the report is how the late Paul Mushiete Mahamwe acquired the land. The report 'The Impacts of the "Carbon Sinks of Ibi-Batéké Project on the Indigenous Pygmies of the Democratic Republic of the Congo' suggests that indigenous 'Pygmy' people hold customary claims to the land appropriated by Mushiete Mahamwe. (7)

Who funded the project?

The BioCarbon Fund was one of the first funders of the Ibi Bateke project. In addition to making an up-front payment for the carbon credits the BioCarbon Fund promised to buy, the fund also provided technical support for the registration as a CDM project. A World Bank report states that the presence of the BioCarbon Fund as an early investor led to the French company Orbeo (a joint venture between chemicals company Rhodia and the French bank Société Générale that has since been bought by Belgian company Solvay Energy Services) making an up-front payment for an equal amount of carbon credits to that of the BioCarbon Fund. The UN Environmental Programme, UNEP, covered some of the costs for technical documents required to prepare a carbon offset project. Two French companies, UMICORE (active in the mining sector) and Suez (an energy corporation), are mentioned as having provided 7-year loans of EUR 250,000 each (charcoal sales were expected to generate revenue from year 7, enabling the repayment of the loans). Several reports also note that two individuals invested a total of EUR 550,000 in the project.

In 2012, the BioCarbon Fund significantly reduced the number of carbon credits it would buy from the Ibi Bateke project, from the 500,000 carbon credits announced in 2009 to 80,000. The French company Orbeo announced it would buy an equal amount as the BioCarbon Fund, and also reduced its purchase to 80,000 credits. The carbon credits, bought by the BioCarbon Fund and Orbeo at a price of USD 4 per credit, are to be delivered by 2017. (8)

Despite the scaled-back carbon credit purchase from the World Bank and Orbeo, Novacel had access to at least USD 1.5 million of external funding plus technical and financial support from UNEP and the BioCarbon Fund for the preparation of project documents and planting. Yet the company had planted a mere 1012,42 hectares by May 2013, the latest date for which information about the area planted is publicly available.

The Ibi Bateke project has been registered as a CDM project since 2011 but it has not been issued any carbon credits yet. In December 2016, the CDM database did not show any information about a date for a planned verification audit in 2017. Without such a verification audit, however, the project will not be able to deliver any carbon credits to the BioCarbon Fund by the end of 2017.

Ibi Bateke project owner "undercapitalized" despite generous loan arrangements and carbon credit pre-payments from the World Bank

It seems, that the generous start-up funding available to Novacel was still not sufficient to fulfil the promise to replant some 4,000 hectares of acacia, eucalyptus and pine plantation. "Undercapitalized, NOVACEL is facing recurrent difficulties in financing its activities, although it benefited from loans (Suez, Umicore) and prepayments (BioCF, Orbeo) of carbon credits to be received over the period 2008-2017. Today, only the sale of cassava (chips, flour) ensures the survival of the company. As a result, only 1012.42 hectares were planted to date since 2008, resulting in a net balance (sequestration - emission) of CO₂ across the project close to zero at the end of 2012", a BioCarbon Fund evaluation report notes in 2015. (9)

Novacel is again looking to the World Bank to provide a financial lifeline. This time, the company is hoping to tap into funds provided by the World Bank Forest Investment Program (FIP). A 2015 BioCarbon Fund report on the status of implementation of the Ibi Bateke project suggests that the FIP's 'Improved Forested Landscape Management Project' in the DRC might be able to provide an additional loan to Novacel. Such a loan might solve the problem the BioCarbon Fund might face by the end of 2017 if / when no carbon credits have been delivered and Novacel has already spent all the money received as pre-payment for later delivery of the carbon credits.

However, a new loan does not address the question of why the project needs another loan. Did the BioCarbon Fund underestimate the cost of planting trees on the Bateke plateau so much that the generous up-front funding and loans were sufficient for only a quarter of the planned planting?

Publications about the project differ on the contribution that carbon credit revenue is expected to make to the project. One report states that carbon credit sales are expected to account for around 30 percent of project income, with charcoal sales bringing in 20 percent and the sale of cassava around 45 percent while another chart attributes only 1 percent of project revenue to carbon credit sales, 30 percent to charcoal and 68 percent to cassava sales. What contribution does the World Bank expect to come from carbon credit revenue? The public relations material of the World Bank describes the Ibi Bateke as a carbon finance project. If carbon credit sales make up only an insignificant amount of project revenue, is it not misleading to call the project a carbon offset project?

Also, the charcoal market in Kinshasa is very lucrative, and demand for charcoal is high. Does the project not yet sell any charcoal – or is replanting of the trees that were cut to make charcoal not a priority for the use of revenue generated from the sale of charcoal? Tree plantation companies in Brazil, for example, tapped into the CDM carbon market to finance their replanting when state subsidies for replanting were cut. Instead of saving the funds needed to replant their ageing eucalyptus plantations at the end of the 21-year rotation, companies had preferred to pocket their profits during the 20 years the eucalyptus trees were re-growing from stock after being cut. In Brazil, companies like Plantar (also a BioCarbon Fund project, (10)) and Vallourec used CDM carbon credit income to finance replant their eucalyptus plantations, claiming that otherwise they would have to switch from charcoal to burning mineral coal in their iron smelters (see WRM bulletin 163, February 2011). Will they set aside funds to replant in 21 years, when the eucalyptus trees need to be replaced again? It seems as (un-)likely as Novacel setting aside sufficient funding to replant the acacia trees on the Bateke plateau after they are cut a last time for making charcoal at the end of the Ibi Bateke carbon project's 30-year lifetime. But failure to replant will increase the negative climate impact of the project because the carbon credit – once sold – would justify additional emissions elsewhere that would not be compensated if the trees are not replanted.

BioCarbon Fund projects like Plantar and Ibi Bateke show: carbon plantations are a false solution for climate, energy crises and for communities

Yet, the UN Paris Agreement calls for an expansion of these false solutions. The UN Paris Agreement and many national and regional climate action plans are directly or indirectly promoting tree plantations for biomass (see article in this bulletin), and funds such as the BioCarbon Fund continue carbon markets as a way of funding such plantations. The experience of social movements and local communities affected by large-scale tree plantations shows that tree plantation carbon offset projects are a false solution that tends to make the problem worse.

The Ibi Bateke project has thus far been a failure from a climate and financial perspective. It also shows why carbon offset projects tend to reinforce historical injustices of land allocation. It is not the only example of a carbon offset projects which changes land use on a large scale reinforces historical injustices of land allocation. (11) The owner of the company behind the Ibi Bateke project, Novacel - set up by members of the Mobutu-era political elite - has turned customary land (acquired under questionable circumstances) into privately-held property. This effectively extinguished any other customary rights other members of the Ibi clan may have to this land. The Ibi Bateke tree planting project in DRC has been sold as a success it never was.

(1) CDM stands for "Clean Development Mechanism", one of three schemes through which the UN's international climate agreement of 1997, the Kyoto Protocol, aimed to promote carbon markets. The CDM allows industrialized countries and companies in these countries to overshoot their greenhouse gas emission limits at home if they buy CDM carbon credits instead. These credits are sold with the (unverifiable) promise that the project issuing these CDM credits has saved emissions that otherwise would have been released into the atmosphere. The rapid increase in greenhouse gases is the main cause of climate change.

(2) See a short description and links to further documents at Ejolt Environmental Justice Atlas: <https://ejatlas.org/conflict/ibi-bateke-carbon-sink-plantation-drc>

(3) Another World Bank document, the FIP Investment Plan for the Democratic Republic of Congo, explains why the carbon credit payments were so important for the financing of the tree plantations: "In the initial phases, the cassava revenue stream allows the project entity to finance the transaction costs, but not the investment costs. Hence, the project entity needed to leverage resources from other sources, which was possible as the expected revenues from carbon credits could [be] used as

guarantees [for] international private equity." Pg. 35, [https://www-](https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/fip_4_dcr_ip_0_0.pdf)

[cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/fip_4_dcr_ip_0_0.pdf](https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/fip_4_dcr_ip_0_0.pdf)

(4) The BioCarbon Fund is one of the funds the World Bank set up in the early 2000s to promote global carbon markets.

(5) World Bank News Release 'Congo community to use carbon payment to put kids through school'. 8 March 2011.

(6) Analysis of institutional mechanisms for sharing REDD+ benefits. Study published by USAID.

2012 [https://www.land-links.org/wp-](https://www.land-links.org/wp-content/uploads/2016/09/USAID_Land_Tenure_Analysis_of_Institutional_Mechanisms_for_Sharing_REDD_Benefits_Case_Studies.pdf)

[content/uploads/2016/09/USAID_Land_Tenure_Analysis_of_Institutional_Mechanisms_for_Sharing_REDD_Benefits_Case_Studies.pdf](https://www.land-links.org/wp-content/uploads/2016/09/USAID_Land_Tenure_Analysis_of_Institutional_Mechanisms_for_Sharing_REDD_Benefits_Case_Studies.pdf)

(7) Report 'The Impacts of the "Carbon Sinks of Ibi-Batéké Project on the Indigenous Pygmies of the Democratic Republic of the Congo' by Sinafasi Makelo Adrien. 2006. From page 45. [http://no-](http://no-redd.com/wp-content/uploads/2015/09/Ibi-Bateke-REDD-type-servitude-Case-Studies1-2.pdf)

[redd.com/wp-content/uploads/2015/09/Ibi-Bateke-REDD-type-servitude-Case-Studies1-2.pdf](http://no-redd.com/wp-content/uploads/2015/09/Ibi-Bateke-REDD-type-servitude-Case-Studies1-2.pdf)

(8) Before a CDM project can sell carbon credits, two different auditing firms (paid for by the project) need to visit the project area. The first audit is called a validation. Only validated projects can be registered as CDM projects. The validation confirms that the project documents comply with the CDM rules and that the estimates made about reducing emissions are credible to the auditing firm (the booklet 10 things communities should know about REDD explains why these estimates are not verifiable and make carbon offsets a false solution to the climate crisis). The second audit is called verification. The verification auditors compare the estimated reductions from the validation report with the actual reductions that the project has made and decide how many carbon credits the project can actually sell. The Ibi Bateke project has been validated but it has not yet passed a verification audit. It therefore does not yet have any carbon credits to sell or deliver to the BioCarbon Fund and others who paid for such credits in advance in 2011.

(9) BioCarbon Fund Implementation Status & Results Report May 2015.

[http://documents.worldbank.org/curated/en/355501468233080724/](http://documents.worldbank.org/curated/en/355501468233080724/pdf/ISR-Disclosable-P096414-05-26-2015-1432640393642.pdf)

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(10) A list of projects from which the BioCarbon Fund bought carbon credits can be found here:

<https://wbcarbonfinance.org/Router.cfm?Page=BioCF&FID=9708&ItemID=9708&ft=ProjectsT2>

(11) See the article 'Roots of Inequity' by Susam Chomba et al. for an example of how the Kasigau Corridor REDD+ project in Kenya reinforces historical injustice of land allocation.