The Kivu-Kinshasa Green Corridor

Scaling-up the integrated approach of economic development and conservation

INSTITUT CONGOLAIS POUR LA CONSERVATION DE LA NATURE

In January 2025, the President of DRC announced the creation of the Green Corridor, a new protected area, unique in its kind

A new category of protected area, focused on economic development and community protection

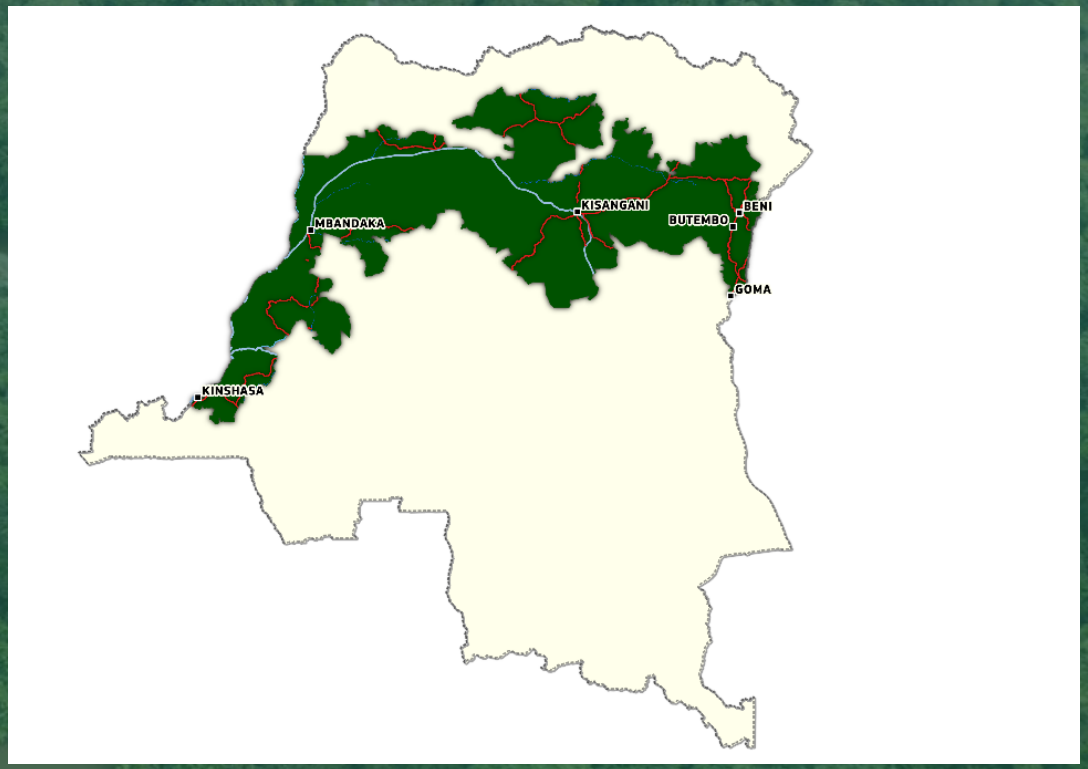
An area of ~550 000km^2, the size of France

Linking eastern DRC to Kinshasa, through a 2,400km corridor

A perspective on the size of the Kivu-Kinshasa Green Corridor

...within Africa

...within the DRC



Background: The Virunga Alliance

Virunga NP: UNESCO World Heritage site and biodiversity hotspot in Eastern DRC

Eastern DRC: a region plagued by conflict

Including in the park

Conservation alone wasn't working

Deforestation overfishing and extractives

A new approach: the Virunga Alliance

Renewable Energy

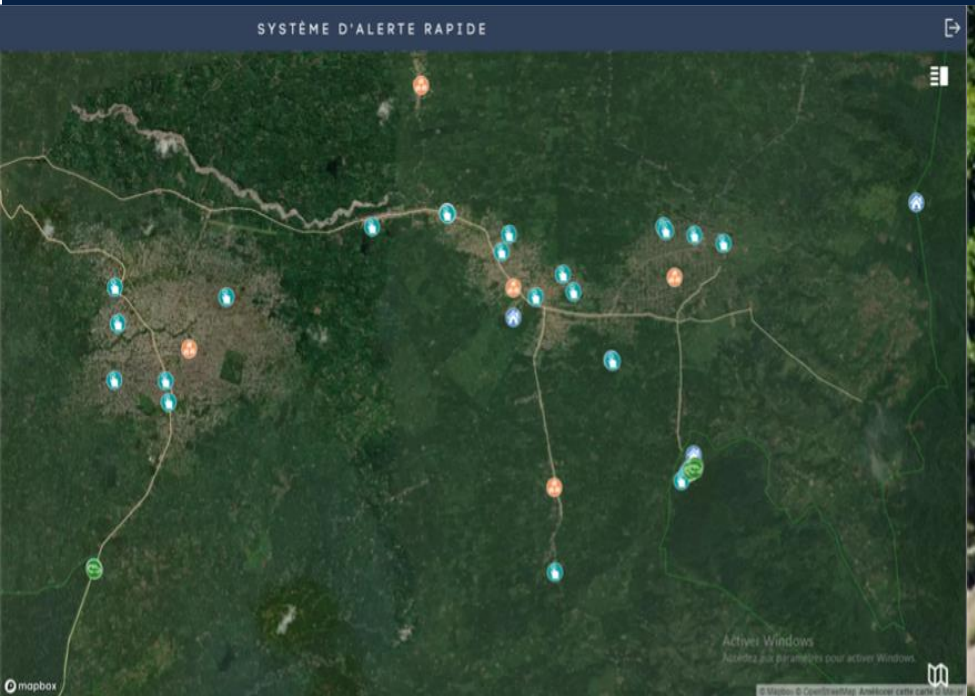
Virunga Energies: Fully integrated utility employing >500 Congolese engineers and technicians & 40MW installed capacity

Construction ▶ Generation ▶ Transmission & distribution ▶ Commercialisation

Agriculture

Virunga Development, Virunga Origins, Sicovir, FOBs:

Agriculture: FOBs



Scaling up the “landscape” approach to the Green Corridor

The Green Corridor offers a unique opportunity for reducing poverty and violence for millions, while preserving globally important tropical forests

31.5 mn inhabitants **80%** of which live **in 6 key cities** where only 41% has access to electricity and 90% use charcoal for cooking

~3 mn hectares cultivated land, primarily located in Tshopo, Mai Ndombe and North-Kivu provinces, representing **> 10 mn tons of agricultural produce**

~28.5 mn ha of undegraded **tropical** moist **forests** and **6.7 mn ha of peatland at risk of degradation and loss** representing **40-50 GtCO2**

A vast economic plan for the Corridor based on renewable electricity, agro-industrial transformation, clean transport and carbon financing to preserve the forest

Renewable electricity: Improving livelihoods and reducing deforestation

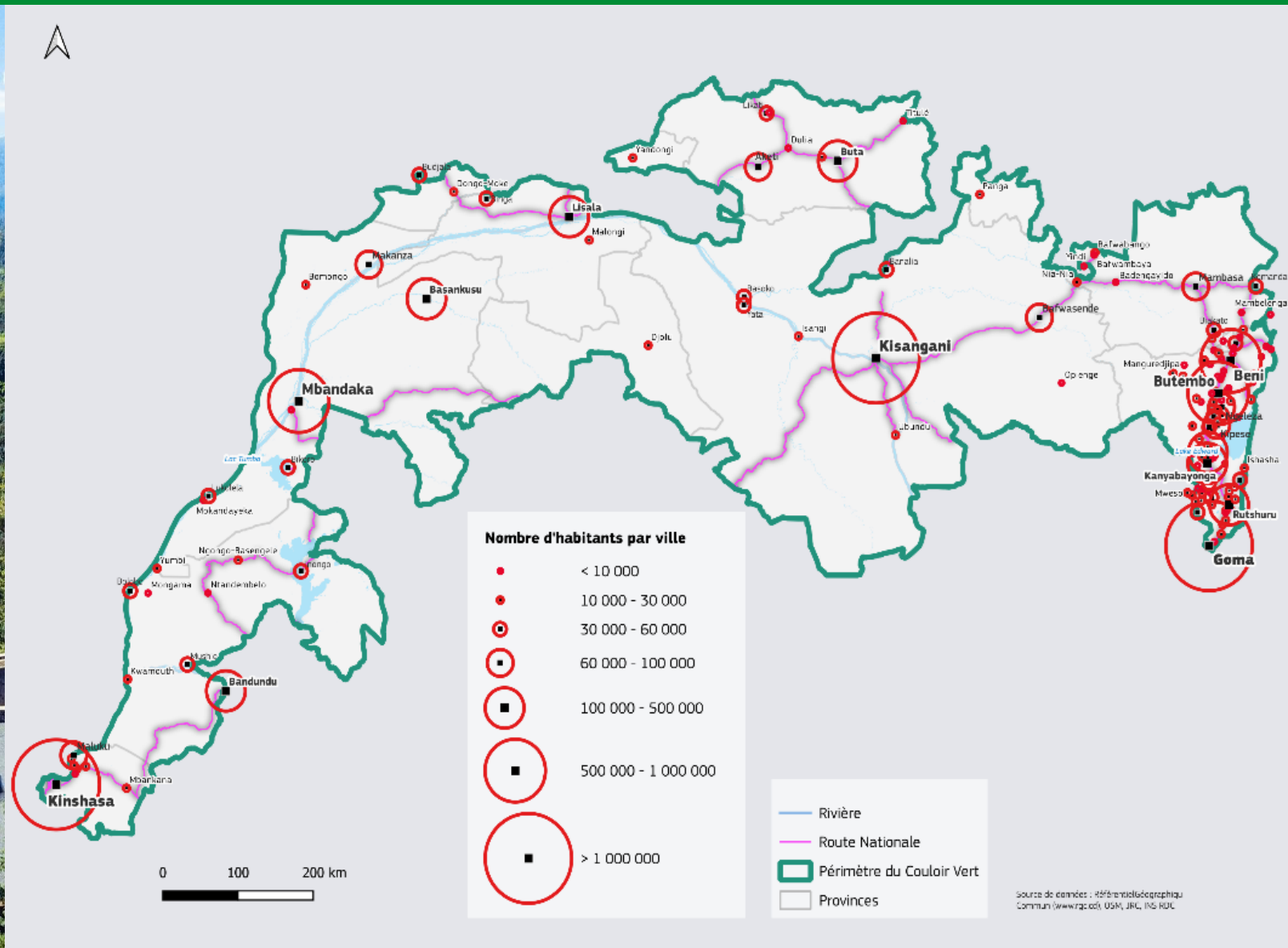
Agro-industrial transformation: Adding value locally while creating decent and secure jobs in insecure areas

Transport: Improving food security across DRC, especially in key cities, while linking eastern DRC to Kinshasa

Carbon financing: Protecting the second lung of the Earth and sequestering globally relevant amounts of CO_2

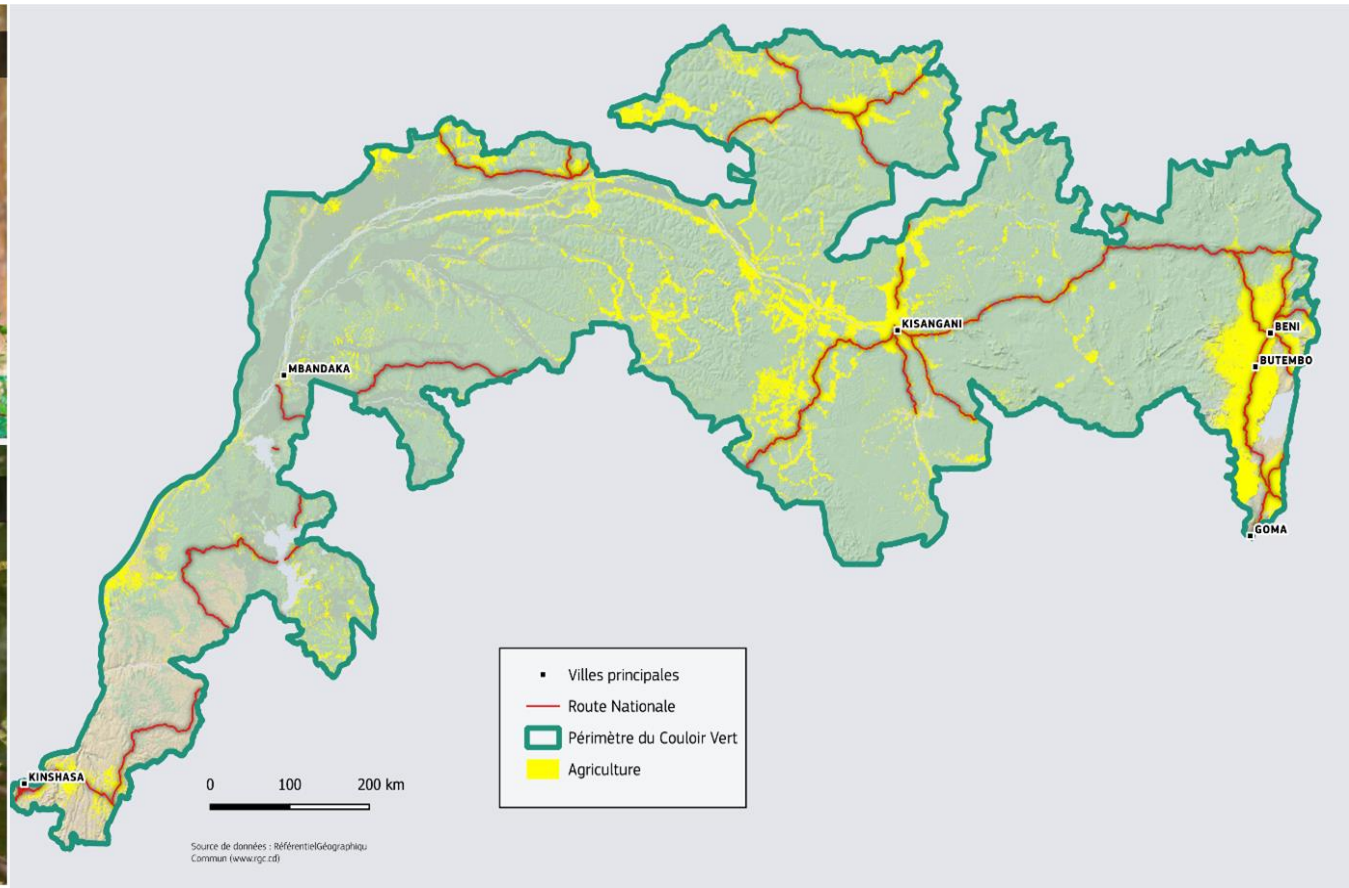
Nature Conservation: protecting at least another 100,000km2 of primary forest within the Corridor

Renewable Energy: $1.3bn of investment



Large-scale agro-industrial transformation

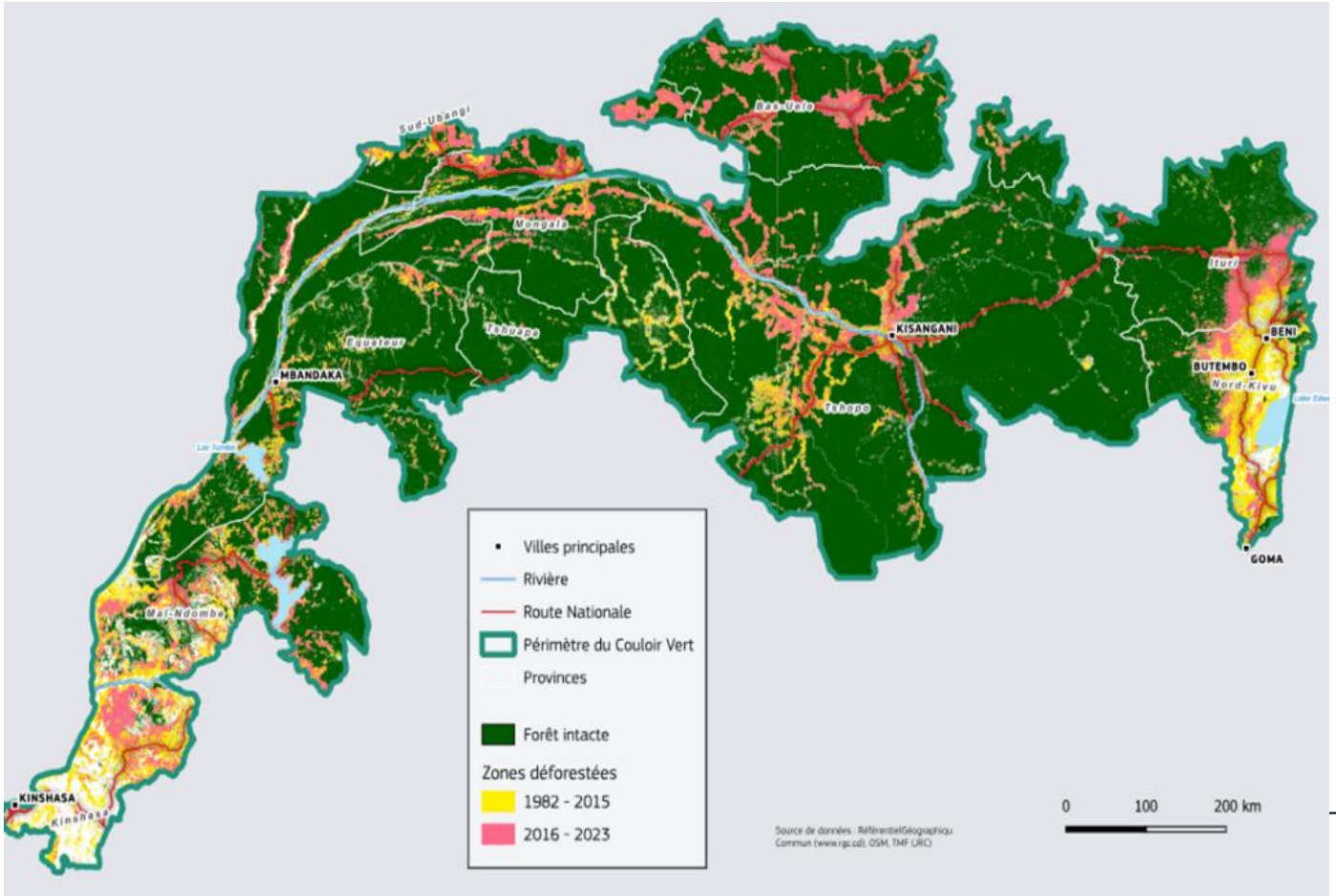
Significant potential for both high-value crops, and staple crops – investment need in transformation, improved practices and logistics

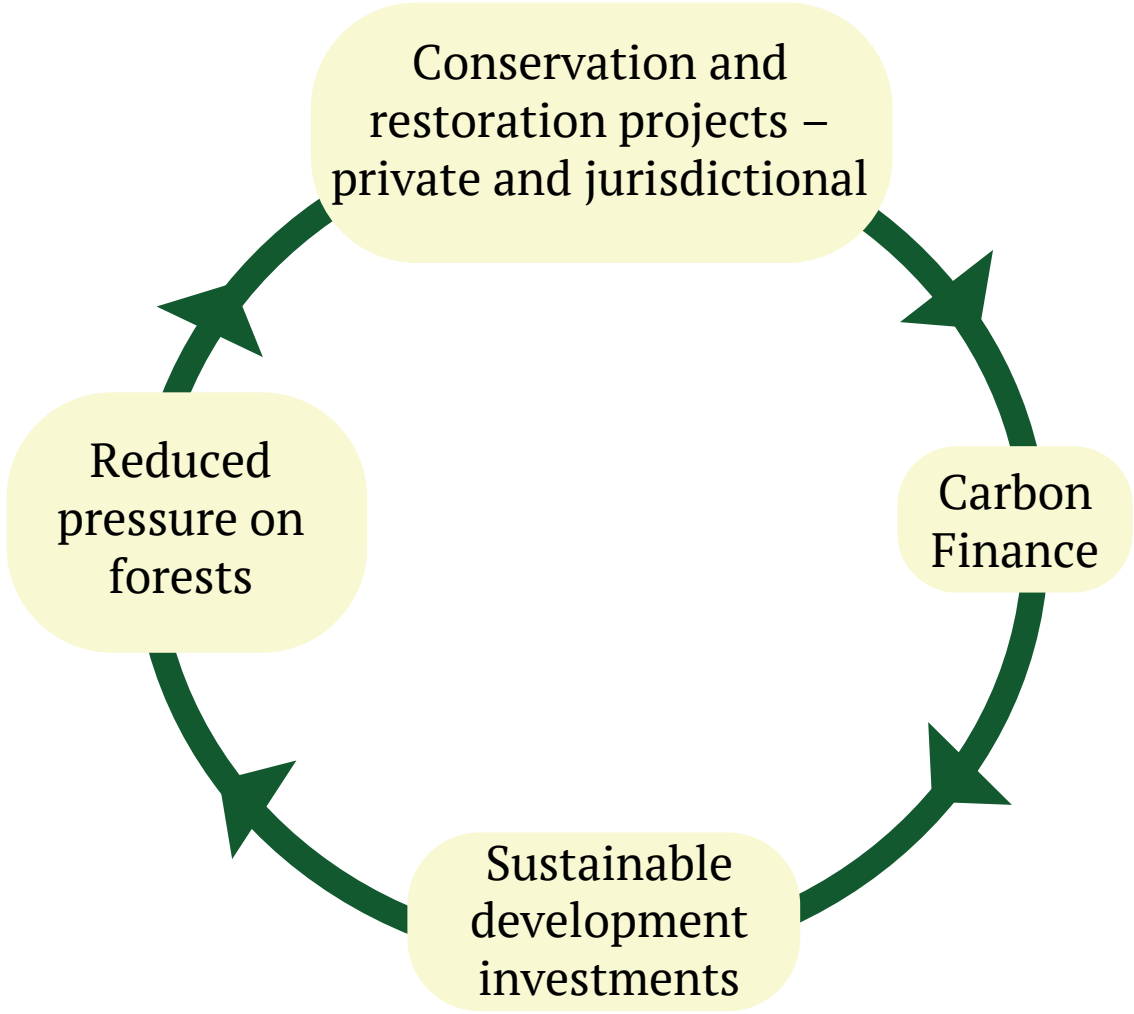


The role of conservation, restoration and Carbon Finance

Slash & burn agriculture, roads & charcoal production

2,500 – 4,000 km² forest lost every year



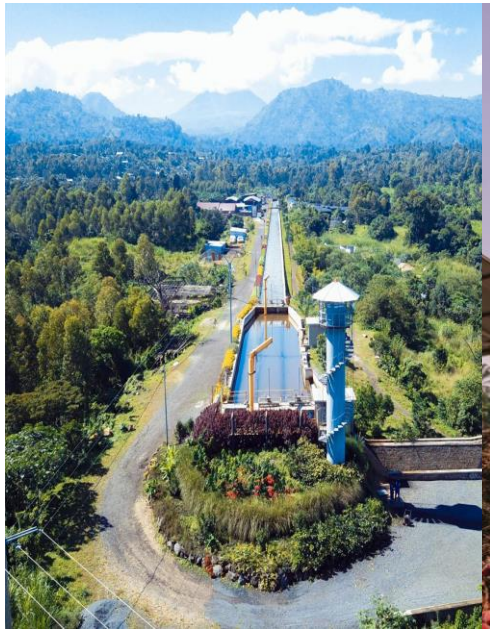


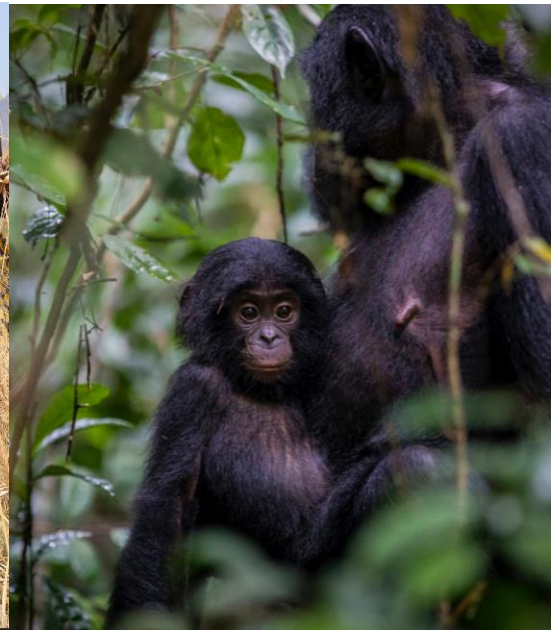
> Financing sustainable development

What do we mean by financing the Congo River Corridor?

The Green Corridor <=> building an alternative green economy, faster than our BAU approach

- Multiple projects and companies across multiple sectors
- Capital need: billions
- Need to incentivize sustainability and nature conservation
- Difficult investing and operating context





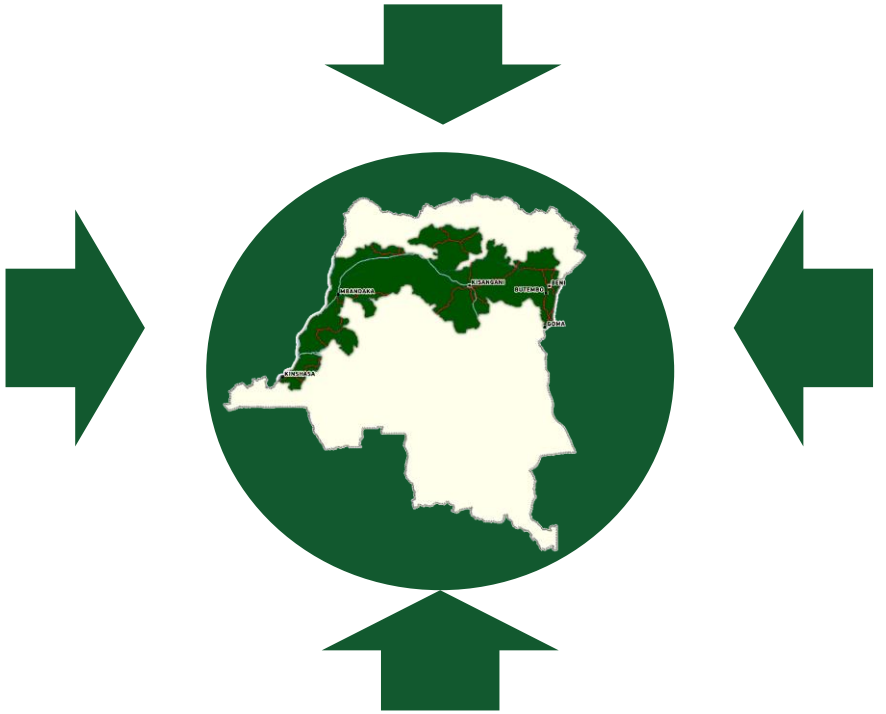
Building on the Virunga Alliance model

- Key to success for the corridor will be to enable a system that is self-sustaining in the long term
- VA has been building sustainable businesses in Eastern DRC
- Sustainable in three ways:
    - Environmentally
    - Socially
    - Financially
- This behaviour has to be incentivised

Need multiple stakeholders and tools to come together

Capital to build projects and businesses
Source: From local and int'l private and public sector

Monetary incentives for nature conservation
Source: int'l private and public sector via carbon / biodiversity markets

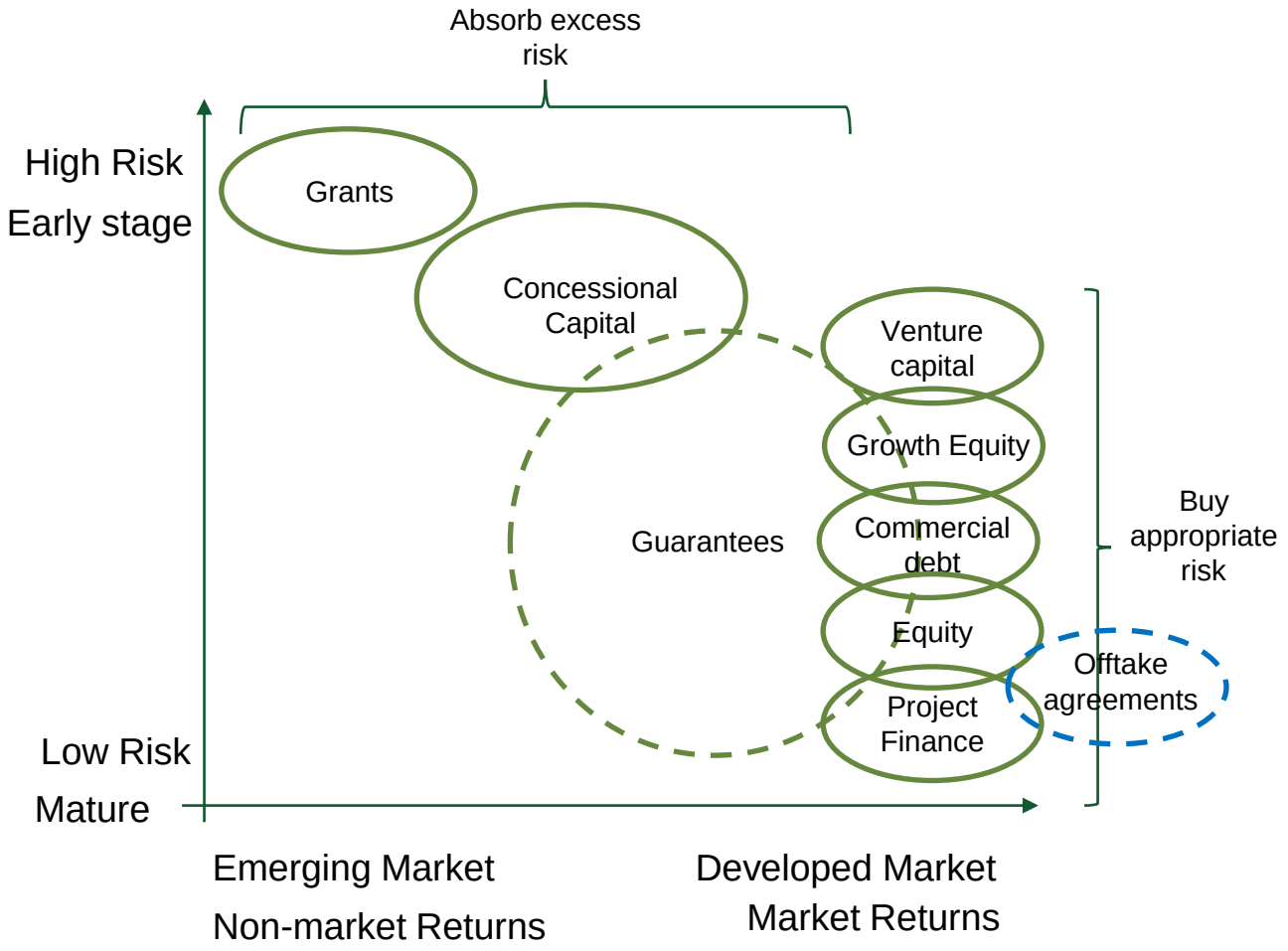


Fiscal incentives for sustainable choices
Source: government

Commercial contracts to buy and supply goods
Source: From local and int'l corporates

To do this need to bring together lots of different instruments

- Building the ecosystem
- Multiple risk dimensions:
  - Country / political
  - Business risk
  - Currency
  - Exit risk
- Mis-aligned risk-return profiles

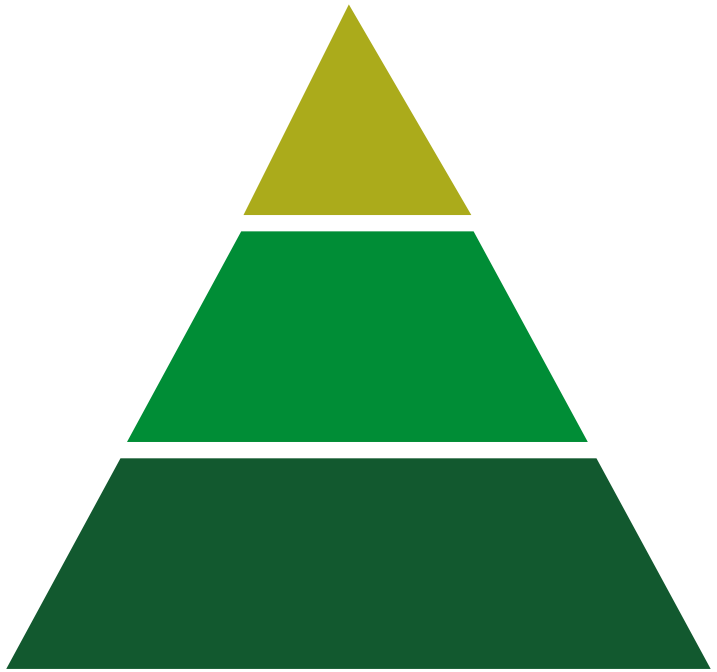


Financing the Virunga Alliance model: Virunga Energies Example

2030+

2016-2024

2013-15



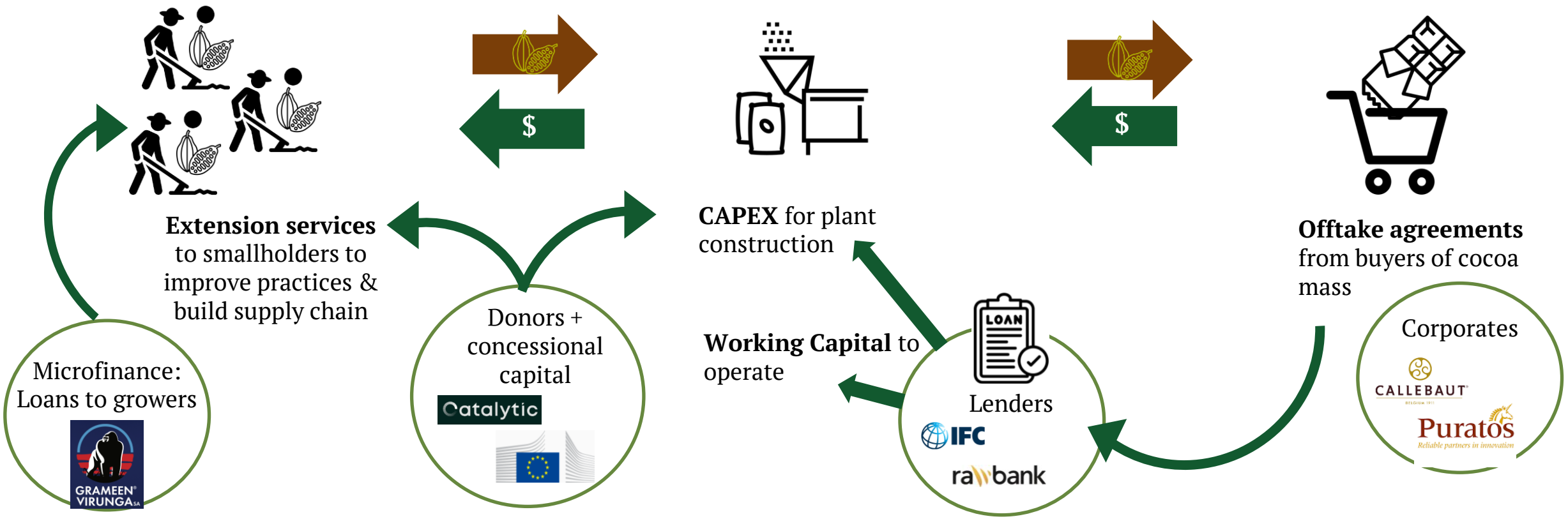
Project and corporate finance → VE no longer reliant on grants and concessional capital as a profitable and mature business

Concessional debt: allows for asset base expansion → VE demonstrates financial responsibility, reaches EBITDA positive

Grant capital for asset construction: return profile on assets too low for traditional finance risk appetite → VE becomes an operating entity with revenues and operational assets

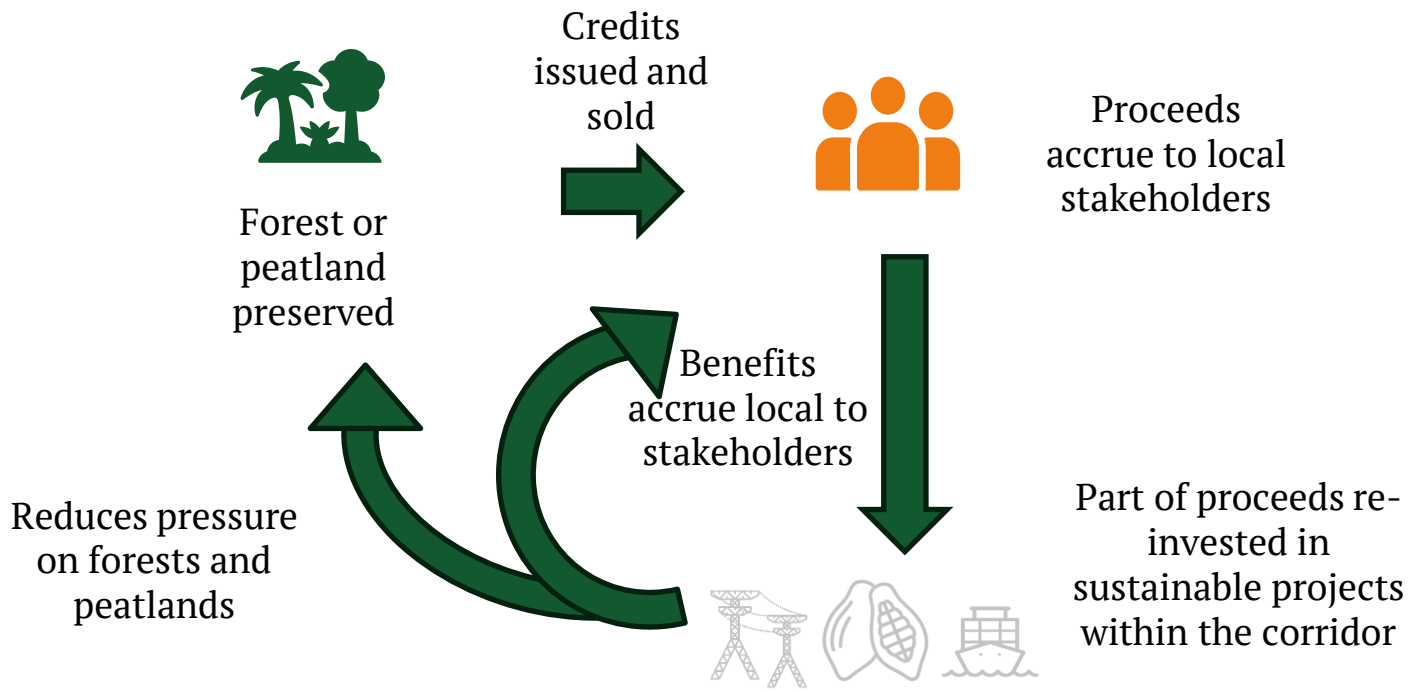
Agriculture: example Cocoa transformation

Enabling sustainable cocoa supply chains and transformation in the DRC

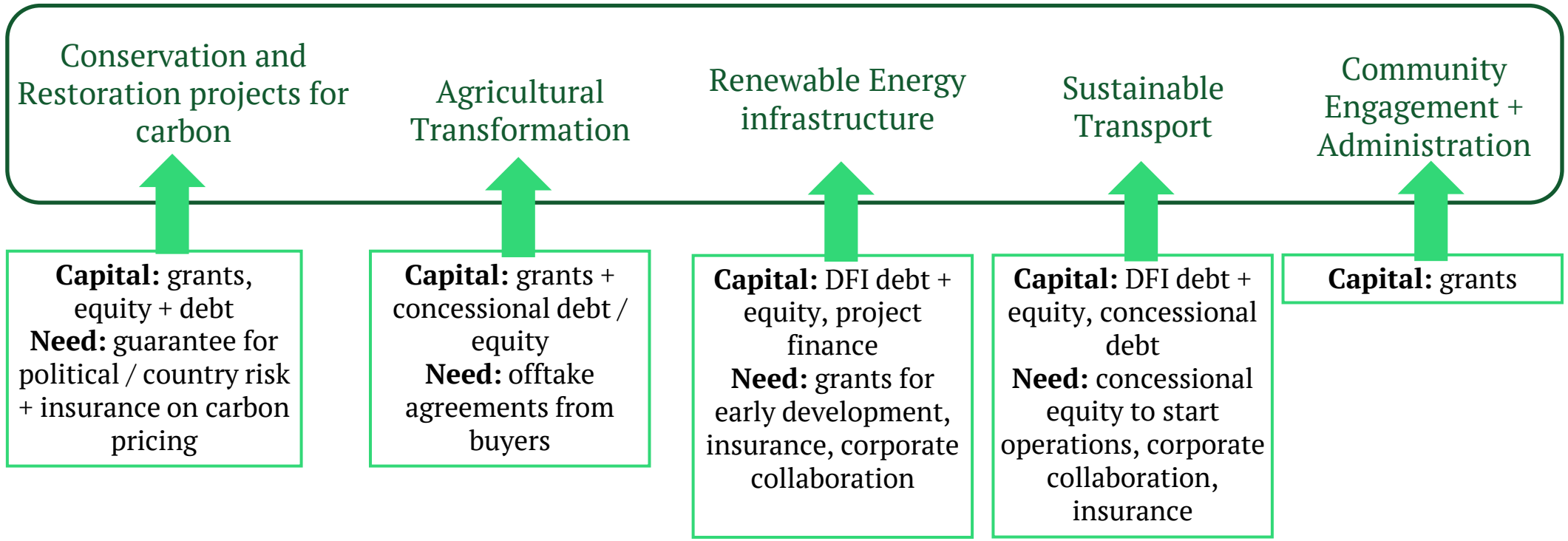


Role of Carbon & Biodiversity Markets

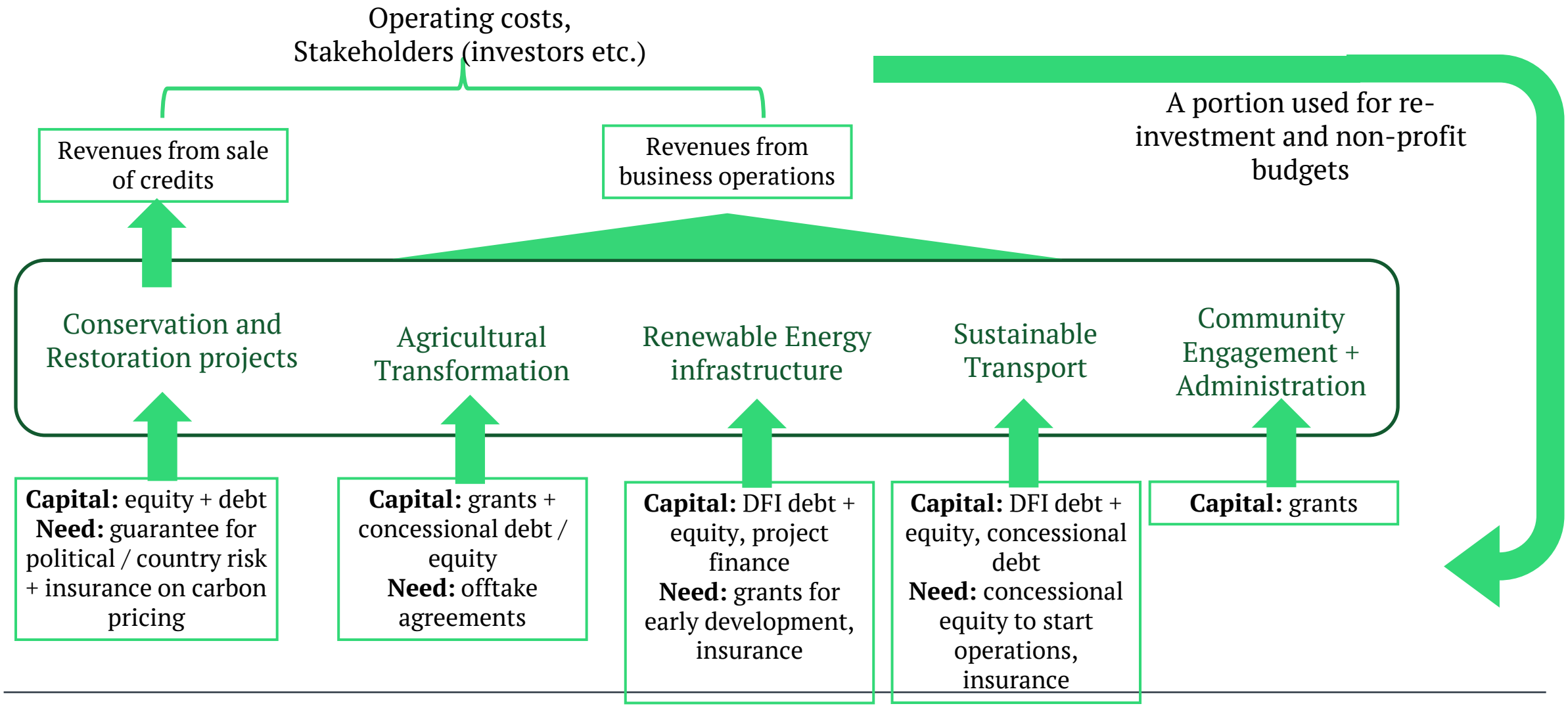
- Carbon markets provide incentives from reducing emissions – here focus on Nature-Based e.g. REDD+
- Core element of the corridor is preservation of nature whilst generating economic development
- Carbon credits are a highly aligned tool – can support a virtuous cycle:



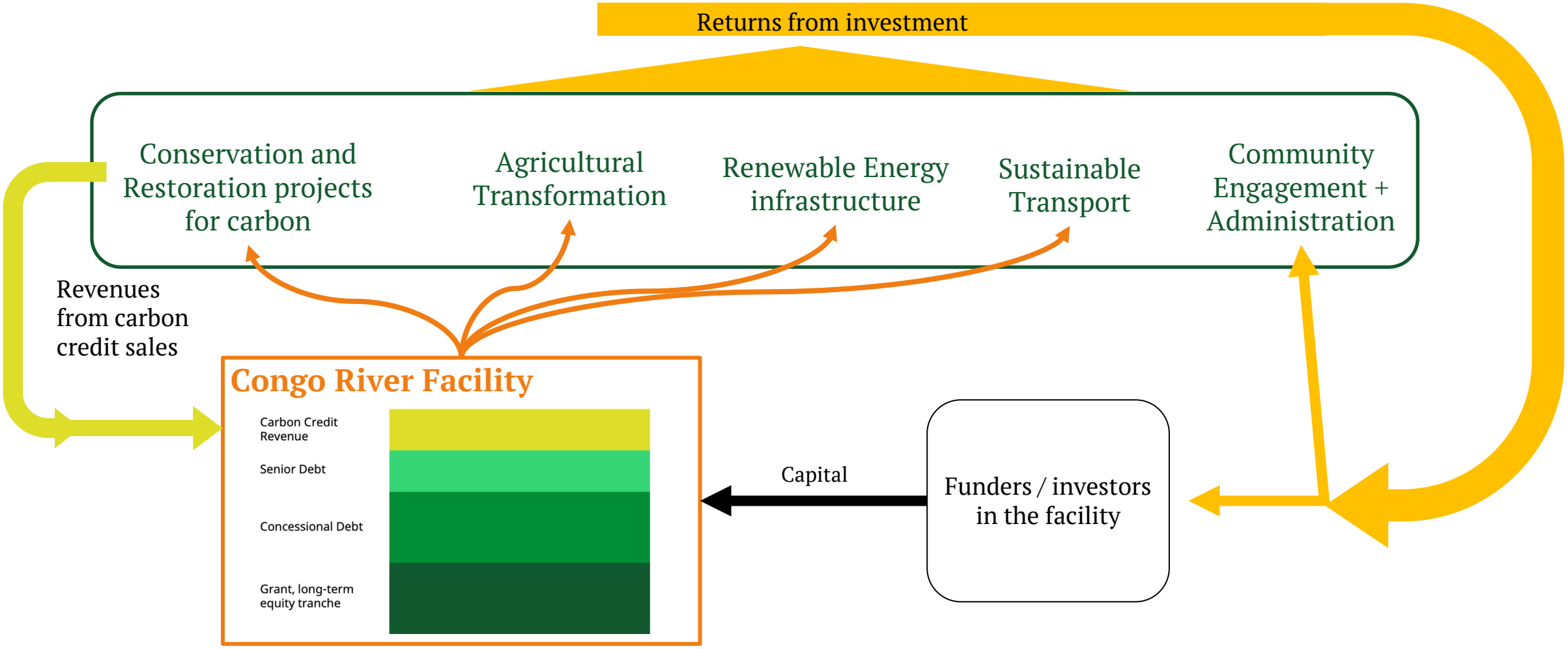
So bringing this all together for the corridor



So bringing this all together for the corridor… and making it self-sustaining in the long term



Financing the Congo River Corridor: a dedicated facility



What tools are available?

	Grants	Concessional Debt / Equity	Guarantees	Commercial Debt / Equity	Project Finance	Insurance	Offtake Agreements
What	Non-returnable capital	Returnable capital but below-market returns	Transfer of a portion of risk to someone else	Loan at market rates, private equity	Debt in the context of a ring-fenced project – typically infrastructure, highly structured deals	Protection against a risk to the cashflows of the business / project	Commitment by a customer of the business / project to purchase products for a duration of time at a price
Used when	Very high risk activity with limited cashflows Or non-profit	High risk activity where returns/ cashflows too small for the risk involved	When there is interest by investors to finance an activity but a specific risk is holding them back	When an activity is generating cashflows and can repay debt or generate dividends / an exit	Very low risk infrastructure development	To protect against specific risks	Commercial agreement which can reduce risk for an investor in a project

Thank you

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