

**Comments by the NGO Observer
at the FCPF PC2 meeting in Panama, March 12, 2009**

Thanks to the FMT and Participants Committee for providing the non-governmental organization observer an opportunity to speak here today. We are hopeful that the presence here of observers from civil society is indicative of a commitment to openness and transparency as well as a recognition of the crucial, indeed decisive, role that civil society must play if we are to reduce deforestation and degradation and make the changes necessary to successfully move our national economies to low carbon development paths and adapt to global climate change.

It is difficult of course to represent the views of global civil society or the NGO community, which are as varied as those of governments, and range from outright rejection of the inclusion of forests in the carbon markets and of the World Bank as a mediator of climate finance, to active promotion and participation in both. As you know, many civil society voices in Poznan and before have called for a withdrawal of the World Bank from Climate finance until funding for fossil fuels is ended, and expressed concerns that the FCPF process could undermine the UNREDD and indeed pre-empt the negotiations within the UNFCCC.

There are however, a number of points which many in the NGO community are agreed on, and these include recommendations about the process as well as the types of actions that are necessary to stop deforestation in the long term.

With regard to process, many of us feel that there is a need for greater transparency in the work of the FCPF, and that given the urgency of actions to reduce deforestation and the clear need for civil society involvement, that proactive steps be taken to ensure greater access to information and decision making processes. These include:

- Posting the agenda and all program documents for PC meetings on the public section of the FCPF website as soon as they are available, and at least two weeks prior to the meetings.
- Posting R-Plans on the website when they are received or at least two weeks before they are considered by the PC.
- Posting the FMT's *Readiness Plan Assessment Memorandum* when they are finished, and again with time to review them before the meetings.
- Posting the TAP synthesis review on the public website at least two weeks before the meetings.

These are stop-gap measures, designed to ensure that there is some minimal mechanism that will allow civil society to access the proposals of their governments, as well as the internal and external reviews of these proposals, before they are approved, and we so move that they be adopted at this meeting. We of course hope and strongly recommend that countries go well beyond this, and ensure the active participation of their own civil society organizations in the formulation of R-Plans.

Many in the NGO community have noted that the R-Pin process was one which, in general terms, was marked by the absence of civil society participation, and feel that this, in part at least, explains the uneven quality, lack of data and specificity in their strategy ideas, that many on the PC have noted at this and previous meetings. Given this lack of participation, we believe that it is absolutely necessary that a full safeguard review be carried out to ensure that R-Plans are consistent with both WB internal policies as well as other relevant international standards. We call on the FMT to re-affirm this commitment and to make public the findings of such reviews.

With regard to the content of R-Plans, many of us in the NGO community feel that the standards and criteria proposed by the FMT can be significantly strengthened, and that ensuring strong standards and clear criteria will help increase the chances of success of the R-Plans in producing sustainable reductions in emissions from deforestation and degradation.

We would therefore, like to propose a number of specific language changes in the *Criteria and Standards for R-Plan Approval, FMT Program Document 2009-1* that we are to consider shortly. These include:

- Section 11 should be revised to clearly reflect the FCPF Charter that no FCPF financing will be authorized to any country for a readiness plan without a full safeguard policy review, including application of all World Bank safeguards and other relevant international standards.
- Section 15.a.i. should be revised to say that inclusiveness of consultation and participation will be assessed by “the consultation process for the R-Plan development thus far, and the Consultation and Participation Plan included in the R-Plan” eliminating the other vaguer criteria.
- Section 15.a.v. should read: Feasibility of proposed activities to achieve REDD readiness, and their likelihood of success in achieving readiness (once fully funded and implemented): Does the R-Plan include an adequate proposal for the design of an integrated system of measurement, monitoring and reporting, and independent third party verification of changes in deforestation, forest degradation, rural livelihoods and conservation of biodiversity? Full MRV design may occur at a later stage, informed by the needs of the policy process.

With regard to Annex 2: R-Plan Components, Requirements and Standards we proposed the following amendments:

- Expand Standards for Component C-1 to include “ a completed assessment is presented that identifies major land use trends, and deforestation and degradation drivers including, where appropriate, the land tenure status and effective protection of indigenous peoples territories, trends in industrial logging, agro-

industry, bio fuel production, industrial plantations, cattle ranching, transport and energy infrastructure and extractive industries.”

- Revise Standards for Component C-2a to read, “A clear description of the existing or proposed coordination of REDD activities nationally, adequately integrated with existing land use policy dialogue, that is actively inclusive of major government agencies and other stakeholders that will be impacted by REDD. The functions, membership, decision making processes, and dissemination of information are adequately described.”
- Revise standards for Component C-2b to read: “A full plan is presented that incorporates a process of continual consultation, participation and outreach that ensures stakeholder involvement in REDD deliberations and implementation at both the national and relevant sub national level.”
- Expand the description and standard for Component C-3b to read: “Conduct an assessment of potential benefits of the REDD strategy for biodiversity conservation, rural livelihood, **ecosystem services** (e.g., water supply), and other benefits deemed important by a country (**e.g., medicinal values**). Requirement: Summary of your approach to assessing potential additional benefits of REDD, and potential negative impacts. Summarize your framework ToR and attach the ToR as an annex.
Component Standard:
C-3b: A set of ToR or a plan for how to more fully assess these potential benefits and impacts is provided, that seem likely to adequately address the integration of all **major** benefits (**climate, biodiversity, ecosystem, and livelihood**) over time in relation to the REDD strategy and evolving monitoring system.”
- Expand the standard for Component C-3c to read: “ToR or a plan to further develop the ability to conduct such a trade off assessment which includes broader impacts on forests from planned developments in the energy and transportation infrastructure, tourism, industrial agriculture and extractive industries as appropriate.”
- Revise standard for Component C-3d to read: “ToR or a plan to further elaborate such barriers and risks including elite capture, perverse incentives, and political economy considerations, is presented that will allow their full evaluation and adequate incorporation into the eventual REDD strategy.”
- Amend Component 4 to read: “Assess the institutional arrangements and legal requirements needed to implement REDD activities, including reform of the policy framework for forest governance, the ownership of carbon rights and the design of an equitable payment mechanism that ensures benefits flow to those protecting the forests.”

- Amend Component 8 to read: “ToR or a first order, draft plan for how monitoring, reporting and verification system will be developed, including major data requirements, early ideas on which methods to use, and how the system would be presented for consultation. Early ideas on how the system could incorporate monitoring or rural livelihoods, biodiversity, social and environmental impacts, and forest sector governance into an evolving REDD monitoring system.

We also proposed the following Amendment to R-Plan Template:

- Expand the description and standard for Phase II Component 3b to read:
“Evaluate potential benefits of REDD, including biodiversity conservation, **ecosystem services**, and rural livelihood:
Conduct an assessment of potential benefits of the REDD strategy for strategy for biodiversity conservation, rural livelihood, **ecosystem services** (e.g., water supply), and other benefits deemed important by a country (**e.g., medicinal values**). *Requirement: Summary of your approach to assessing potential additional benefits of REDD, and potential negative impacts. Summarize your framework ToR and attach the ToR as an annex.*”