

***Summary: FCPF Carbon Fund REDD+ Design Forum #2
Held February 26th – 28th 2013 in Washington, DC***

Topics: Safeguards, Benefit Sharing, Feedback and Grievance Mechanism

April 2013 by FMT

REDD+ Design Forum #2 was held to inform the development of the Methodological Framework (MF) of the FCPF Carbon Fund on the topics of Safeguards, Benefit Sharing, and Feedback and Grievance Redress Mechanisms (GRM). It is part of a 3-4 part series of participatory expert workshops that are being held in Washington, D.C. in 2013. This summary captures the main points and outputs of the Design Forum that are intended to help the FMT and the Working Group on the CF Methodological Framework to integrate these issues in the MF. The MF will provide technical and programmatic guidance to countries preparing a REDD+ Emissions Reduction Program (ERP) for inclusion in the Carbon Fund pipeline and portfolio.

Note: This summary is not intended to be a comprehensive representation of all views expressed, which covered a wide range. Rather, it focuses on the concrete feedback, inputs, and views that relate specifically to drafting the Methodological Framework of the Carbon Fund.

I. SAFEGUARDS

Over a full day was spent discussing safeguard guidance to be included in the MF. The safeguards discussion focused first on the required World Bank safeguards that would apply to any ERP, and then a “Candidate Approach,” as summarized below and proposed in Issue Paper #5.

A. World Bank and Cancun Safeguards

In terms of the consistency between World Bank Operational Policies and the Cancun Safeguards, members of the FMT and World Bank staff clarified the World Bank due diligence process and relevant safeguard policies that would be applied to ER programs supported by the CF.

- Staff emphasized that by fulfilling World Bank safeguard requirements, it is expected that the REDD+ programs financed under the Carbon Fund would promote and support the Cancun safeguards.
- Some participants asked for further clarity on the comparability of World Bank and Cancun safeguards as a next step for the development of the MF.
- An agreement was reached to:
 1. Finalize a mapping of WB safeguards against Cancun safeguards, conducted by the FMT with inputs from the Bank’s relevant Departments
 2. Distribute this analysis to the Carbon Fund Working Group members

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Candidate Approach (revision pending based on workshop feedback) in Issue Paper 5: Safeguards

Safeguards principles

Recommendation #1: The Carbon Fund should require an ER program to meet the requirements of the World Bank safeguards and FCPF-specific guidelines on SESA-ESMF, on stakeholder engagement, disclosure of information, and grievance redress mechanisms, while also promoting and supporting the Cancun safeguards.

Safeguards implementation, monitoring and reporting

Recommendation #2: The starting point for implementation of safeguards (including monitoring) in an ER program should be a refined ESMF that is prepared based on the relevant World Bank safeguard policies.

Recommendation #3: For countries that opt to develop Country Safeguards Approaches for REDD+, those involved in operationalizing safeguards for ER programs should take account of the extent to which these Approaches embody standards that go beyond what is currently required by WB safeguard policies.

Safeguards assessment

*Recommendation #4: In addition to relying on the results of the R-Package assessment by the FCPF Participants Committee, the Carbon Fund should use the outputs of an enhanced World Bank due diligence review to assess the quality and acceptability of i) the safeguards information in the ER-PIN;
ii) the refined draft ESMF and draft 'Safeguards Plans' included in the ER-PD with respect to the relevant World Bank safeguard policies.*

Recommendation #5: The Carbon Fund should require regular reporting on progress implementing the Safeguards Plans defined in the ERPA, in accordance with standard World Bank supervision policies and procedures.

B. Use of existing WB procedures

Recommendations were made on using existing WB procedures to further support safeguards implementation and monitoring within ERPs, with a number of suggested action items:

1. WB due diligence could improve supervision and enhance implementation support. This could include ramping up supervision missions and the content of those missions through increased frequency, participatory monitoring, and inclusion of indigenous peoples and civil society.
2. The required Environmental and Social Management Framework (ESMF), and guidance on preparing Terms of Reference (TOR) for ESMF, was discussed as a key step in development of ERPs. The MF could recommend items to be included in such a TOR.
3. The WB Access to Information Policy governs the public availability of documents generally, and Annex 3 of Common Approach spells out when some of the relevant documents for the Readiness phase are made publicly available. The FMT was requested to prepare a similar note describing the public disclosure of relevant documents for the Carbon fund phase.
4. Heightened Monitoring and Evaluation (M&E) was also suggested, with participants emphasizing that the Carbon Fund is a pilot aimed at generating lessons for which M&E is crucial (in order to discover and disseminate those lessons)

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C. Link with other FCPF and MF elements

Finally, the Forum offered a larger-reaching discussion on the links between MF and ER Program safeguards and Readiness Fund efforts, especially the carryover of safeguards-related elements from Readiness Package (e.g., stakeholder identification, GRM development). The FMT clarified that the ESMF developed during the readiness phase is supposed to serve as the basis for the safeguard plans to be developed for the ER program. Participants discussed the role of jurisdictions and sub-national ER Program areas in implementing safeguards.

II. Safeguard Information Systems (SIS)

Building on the previous discussion, the SIS session discussed the following points:

- To ensure ER programs promote and support Cancun safeguards, participants advised that ERP SIS should eventually link to national SIS development, thereby supporting the host country in developing its own systems.
- Discussion also emphasized that SIS should gather data directly relevant to the ERP and its affected communities.
- Participants suggested the following measures to tailor the Safeguard Information better to the ERP area, such as:
 1. Utilizing participatory monitoring within the host country, to build engagement, to ensure locally relevant information, and to lessen the burden on government
 2. Considering the use of jurisdiction-level indicators or information to be gathered in the ERP SIS (indicators specific to the ERP)
 3. Use of milestones to track the development of the SIS
 4. Linking information with non-carbon benefits, as relevant
 5. Potential use of 3rd party monitoring

Reporting burden was also discussed. Many REDD+ countries have multiple donors, and therefore need to prepare and submit multiple reports on a variety of issues, including safeguards. Participants recommended allowing a country's reporting for the Carbon Fund to be harmonized with reporting to other funders, if possible.

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III. Benefit Sharing

The benefit-sharing and distribution discussion focused on a potential Candidate Approach, below, from Issue Paper #7. Good practice guidance was named as an item for follow-up and possible development, but with caution as benefit sharing systems should be designed according to country circumstances. Participants suggested building upon the existing benefit-sharing channels, such as government PES programs or customary distribution systems within communities.

- Overall, participants suggested to focus on minimum standards as an approach for the MF, and agreed that Standard 1, 2, and 3 (above) were already quite robust.
- Participants noted the role that multi-stakeholder consultation processes and assessments could have on designing and improving the benefit sharing system, especially over duration of the program.
- Participants also requested clarification on the “Benefit-Sharing Plan” that would be attached to the ER Program Document, noting that country examples show that benefit sharing is integral to the design of the REDD+ Program itself.
- A major point of agreement was to design the REDD+ program from the beginning with benefit-sharing in mind.

Next steps include:

1. Refining the proposed standards into criteria and indicators (underway)
2. Finding ways for the MF to encourage consideration of benefit sharing early on in the ER Program design process.
3. Consider providing basic good practice guidance and case examples as an annex to the MF

BENEFIT SHARING CANDIDATE APPROACH as discussed at Design Forum 2 (revision pending)

1. Practical good practice guidance could be provided to countries to assist them to address these questions in order to develop locally suitable benefit sharing arrangements. This guidance can draw on existing experience and related literature, and can be developed and refined through an iterative process incorporating emerging experience from the Carbon Fund and similar initiatives.

2. Minimum standards for determining the adequacy of the proposed benefit sharing plan. The achievement of minimum standards for benefit sharing can be tied to two major decision points: the approval of the ER Program Document and the issuance of ER payments.

Standard 1: The benefit sharing system was designed with the participation and consent of all relevant stakeholders

Standard 2: The benefit sharing system clearly defines the basis for distributing costs and benefits and pays particular attention to the needs of marginalized groups

Standard 3: The operations of the benefit sharing system are transparent, legitimate and monitored by relevant stakeholders

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IV. Feedback and Grievance Redress Mechanism (GRM)

GRMs are established in FCPF REDD+ countries with the objective of receiving, assessing and resolving complaints of directly affected stakeholders about ER Program related matter, with a view to taking corrective action that makes implementation of an ER Program consistent with its design. The Readiness Fund of the FCPF has allocated USD \$200,000 additional per country for GRMs during the Readiness phase.

The WB staff presented relevant experiences on developing GRMs in Liberia and Mexico. A method of developing a GRM is proposed in Issue Paper #6 as three-step process with actionable items within each step. From initial government buy-in and stakeholder identification, the process works with governments and stakeholders to identify and build upon existing dispute resolution mechanisms, whether customary, informal or formal. Key action items that can be developed during the process include:

- Wide accessibility and community focal points
- Registry of complaints
- Logs of addressing those complaints
- Fairness in procedures and appeals
- Improvement over time through monitoring.

While the GRM of the Carbon Fund would build upon the GRM established during Readiness, questions surrounding its further development and use in the CF formed the basis of the Design Forum discussion. Participants discussed:

- How well-developed, functional, and accessible the GRM should be at the stages of ER-PIN, ER-PD, and ERPA signing
- Whether additional elements, beyond the process proposed for identifying and developing a GRM for Readiness, should be included in the MF
- How an GRM for the Carbon Fund would improve upon the GRM developed under the Readiness Fund

The major output of this session was to recommend:

1. Distinguishing the level of functionality, usage and detail of the GRM the CF would require, compared to that achieved under Readiness. Participants suggested that higher usage, and greater on-the-ground presence of the GRM would be expected for the Carbon Fund stage.
2. Additional analysis to refine the characteristics of GRM at the PIN, ERPD, and ERPA stage, with a focus on improvement from the Readiness stage and then further improvement during the ER Program stage.
3. Tailoring any further guidance in the MF in line with the outputs suggested in #2 and #3 above.