

**Summary of FCPF Discussion in the FIP Indigenous Peoples and Local Communities Regional Conferences
on Development of the FIP Special Grant Mechanism and the FCPF Carbon Fund**

March 9, 2011

Overarching Comments

Overview of FIP discussion:

Attendees noted the vital importance, particularly in the African context, of the Dedicated Grant Mechanism as a means to enhance the capacity of indigenous peoples and local communities to participate fully, effectively and continuously in FIP pilot country activities in a manner that secures both forest resources, land tenure and community livelihoods, emphasizing the provisions of the FIP Design Document that call for effective participation of indigenous peoples and local communities in the development and implementation of pilot country investment strategies

1. Overall scope of the FIP IP grant mechanism should include:

- a. Securing and strengthening customary land tenure and resource rights.
- b. Enhancing traditional systems of land management used by indigenous people and local communities.
- c. Supporting the elaboration and implementation of pilot projects proposals by indigenous peoples and local communities.
- d. Supporting the participation of indigenous people and local communities in the monitoring and evaluation of forest activities.
- e. Raising awareness of FIP processes and program among indigenous peoples and local communities.

FIP activity in Ghana was well explained by Mr. Fredua Agyeman of Min. of Finance, and FPCF in Ghana by Mr. Robert Bamfo of Ghana Forestry Commission, leading to useful dialogue across the two programs during the workshop. Such operational dialogue across them needs to occur in all joint FIP/FCPF countries, since single, unified institutional arrangements and procedures to both are beginning to emerge in several countries and could help ensure coordinated REDD activities across programs.

FCPF CARBON FUND COMMENTS

Comment

Suggested Eligibility Criteria for Carbon Fund

- Take account of diversity, prospects for replicating projects
- Record of having conducted successful pilots in REDD+ in advance of selection
- Participation of all stakeholders, including indigenous peoples and local communities
- Equitable sharing of benefits derived from project, among all who participate directly or indirectly
- Conformity with national REDD+ strategy
- Customary land tenure and resource rights of indigenous peoples and local communities respected
- Sustainability
- Respect for environmental standards, national and international
- Registration at national level; pre-screening before documents sent to Carbon Fund

Comments on Carbon Fund Policy and Operational Topics

- Safeguards should be drafted and applied by local communities and indigenous peoples themselves
- Active role of indigenous peoples and local communities in developing REDD+ strategies
- CSO with capacities to develop own SESAs at the grassroots level to address issues of rejection and land ownership.
- Incorporate payment for ecosystems and environmental services
- Mangrove and other carbon stores (wetlands, bush lands, savanna etc) should be considered in the carbon stocks definitions, not just forests
- “The notion of the West emitting carbon for the third world to sink” – a concern
- Carbon ownership should tied land tenure and ownership
- Recommend dedicated fund to be set by the World Bank associated with the Carbon Fund, but with grants going directly to local communities and indigenous peoples
- An open carbon market, based only on “willing buyer and willing seller” is a bad policy, risks harm to resources and livelihoods
- Carbon market should be regulated market to avoid exploitation and protect resources and livelihoods, including those of indigenous peoples and local communities. There should be a standard procedure in delivering funds.
- Develop capacities of communities to measure carbon themselves, rather than have external experts play this role
- Carbon brokers are already on the loose, so awareness creation, consultation, and education should be rolled out to communities quickly.
- Community benefits should be given top priority: “community first”
- Need a mechanism to handle non-timber forest products, including to close off the possibility of leakage
- Need to establish, in advance, a clear definition of forest dependant people
- Set a baseline in advance, against which monitoring, including at the community level, should be conducted
- Food security must be priority in national land use planning – address in advance of REDD+
- Indigenous peoples and local communities in each country should to draft their own safeguards
- Policies and procedures on the investment should respect UNREDD

- Concern: possibility that polluting countries will not reduce pollution, given availability of carbon credits on market
- Concern: Potential of REDD+ to worsen problems of conflict between neighboring forest communities
- Concern: value to forest through carbon credit mechanism may worsen corruption

Note: REDD+ cannot only be for carbon. Must fit into sustainable development strategy for country. Holistic fit. Clear land use policy. Governance and institutions. Not every country appropriate for REDD+

Concerns about Multiple Delivery Partners

- Concerns about possible conflicting policies and procedures among between the WB and multiple delivery partners, for example regarding safeguards. Which policy will apply?
- Concern about complexity in having multiple delivery partners involved in a national FCPF program. Suggestion to consolidate into one delivery partner, with the World Bank recommended as the consolidated partner
- Concern about the Task Force and the common overlay guidance note, suggestion to organize regional consultations on the environment and social standards to ensure that these standards reflects the socio-cultural specificities in-country

Comment	Response Given to Comment in Consultation
<p><i>FIP and FCPF Regional Caucus, Vientiane, Lao PDR January 23-25, 2011</i></p>	
<p>Overarching Comments</p>	
<p>The first two days focused on the development of the FIP Special Initiative for Indigenous Peoples and Local Communities. The third day provided a platform for information sharing on FCPF’s Carbon Fund and the developments concerning Multiple Delivery Partners. The meeting was co-chaired by one indigenous peoples representative (Ms. Joan Carling of Asia Indigenous People, Thailand) and one representative from local communities (Mr. Bholu Battarai of Nepal). Around 30 self-selected representatives from indigenous peoples and local communities organizations attended the meeting. IUCN (Chris Buss supported by IUCN’s Country Office) provided logistical services and assisted in preparing the meeting proceedings. Participants list is attached.</p>	
<p>1. On day one of the meeting presentations were provided by the CIF Admin Unit and FCPF FMT on the FIP and FCPF to provide a broad overview of the two programs and how they relate. Representatives of the governments of Lao PDR and Indonesia presented progress reports on the development of their respective investment strategies (which highlighted the differences in the evolution of their thinking and role of CSOs in each). The remaining part of day one focused mainly on information sharing regarding the terms of reference of the design process for the Special Initiative to ensure that all participants had a common understanding on the objectives of the meeting. After this information sharing the meeting, the co-chairs announced that the</p>	

<p>meeting would change to a closed session of indigenous peoples and local communities, until day two at 4pm. In the open session on day two, working groups of IPs and LCs (subdivided per region) presented the outcomes of their brainstorming on the elements of the ToR (scope, governance, principles etc) after which a discussion unfolded to consolidate this into a singular proposal.</p> <p>2. Day three early morning, the meeting endorsed the outcome document which serves as regional input to the global caucus. Controversial discussions were: governance of the grant mechanism (e.g. is there a need for a global board? Who are members of the board? Are there active observers? What is the structure to disburse funds? Role of financial intermediary, how many resources should go to non-pilot countries). reference to FPIC as an overarching principle to guide Special Mechanism. noted FPIC and UNDRIP are not WB policy.</p>	
<p>Discussion and the outcome document both reference FPIC as an overarching principle to guide Special Mechanism.</p>	<p>WB staff noted FPIC and UNDRIP are not WB policy.</p>
<p>Closed session for IPs and LCs only on day one at instigation of the co-chairs:</p>	<p>WB staff noted that closed-door sessions announced by an interest bloc like the IP community is not the CIF or FCPF practice, and stressed the open, partnership focus of both initiatives. FCPF does recognize their need to discuss among themselves as needed, however.</p>
<p>Lao NGO and IP participants expressed some concern about the push by some attendees to have 100% of the Special Fund national and global governance bodies be IP and Community representatives—with no WB, international NGO or other observers. Lao attendees felt the government should have a voice, given that NOGs have only been formally recognized in LAO PDR for 14 months. After debate, the group agreed to include observers.</p>	<p>WB staff noted that joint developing country and donor partnerships, with observers, generally include all partners in meetings; and that donors have a valid interest in how funds would be used.</p>
<p>The role and relationship of FIP, FCPF and UN-REDD were clear only to a few, so we need to continually explain their relationship, the phases of REDD in the Cancun COP decision, how their governance differs, and IP roles in each, to help avoid confusion.</p>	
<p>FCPF CARBON FUND COMMENTS</p>	

1. Carbon Fund. The long discussion raised key questions like:

- what is role of IPs in C fund, and is it same as in FCPF Readiness Fund?
- Is the CF designed to build a carbon market for REDD, and what is the WB's agenda?
- What is the private sector role in CF and why should it be involved, instead of a purely public-funded phase 1 and 2 for REDD?
- Why is WB so quickly starting yet another fund, that seems to overlap the other two, and can't they be made simpler and unified?
- How will CF protect rights and livelihoods of IPs in the pilot countries?
- What safeguards will be used?
- What is CF relationship to UN-REDD and why is FCPF relatively invisible in Indonesia?
- What about the other countries besides the 8 FIP pilots and 5 or so CF pilot emissions reductions programs—how will they be supported?
- How will deforestation drivers outside of the forest sector (mining, ag, hydro) be addressed if the forestry ministry is in the lead?

The CF needs to create lessons learned to date about key issues and build on them, eg, land tenure study by CIFOR finding that it is more efficient and less costly to address land tenure than to not address it (not sure of the actual finding).

FCPF MULTIPLE DELIVERY PARTNERS COMMENTS

FCPF Multiple Delivery Partners presentation generated far less discussion. Only a few attendees understood the process. Many attendees expressed appreciation of early sharing of proposed new policy and operations prior to their being implemented. Early comments were:

- What concrete actions is FCPF taking to ensure that the new partner in a country actually implements the R-PP program and safeguards?
- Would there be 1 or several agencies/partners in a country?
- Would UN-REDD operate as a set of 3 agencies, or would just 1 of the agencies be the partner? —need to clarify this, and which policies would apply, since UN uses FPIC for example.
- Would MDPs apply to the C Fund as well as Readiness Fund?
- Who monitors MDP performance?
- We dialogued back and forth on each question and promised to report the issues back to FCPF.

Comment

***FIP and FCPF Regional Caucus, Lima, Peru,
February 02 – 04, 2011***

Overarching Comments

22 participants from Indigenous peoples organizations and local communities, civil society, government representatives, and World Bank staff, in total 38 people attended. Participants list is attached.

Synthesis: Insisting on UN Declaration of Rights of Indigenous Peoples, the caucus formulated in a constructive and strategic way clear requests regarding future structure and governing principles of FIP Grant Mechanism for IP. Compared to results from previous regional meetings in Africa and Asia, this group made a more insistent claim on far reaching respect of Indigenous Peoples rights beyond the actual scope of the FIP Grant Mechanism. Representatives showed respect for diverging positions and opinions among participants and stressed need for continuous dialogue as a means for building trust with World Bank.

Summary of FIP discussions relevant to FCPF and REDD:

The workshop produced a “Declaration of Pachacamak” (name of the village of venue in the outskirts of Lima, Peru), emphasizing FPIC as principle for meaningful participation of IP and local communities in REDD+ related activities.

Main topics raised (following the Declaration) seek to establish clear commitment with FPIC/ UN Declaration of Rights of Indigenous Peoples on all levels of multilateral and governmental action. This demand is spelled out throughout the declaration in nine chapters. LAC IP representatives indicated their intension to make FPIC a core issue during the Global Meeting.

Following the logic of FPIC, participants re-categorized the meeting from “Consultation” to a “preparatory meeting for the global meeting on FIP-IP Grant Mechanism Design”. A consultation would have to follow at national and regional levels at a later stage.

Selected principles guiding Indigenous Peoples and Local Communities vis a vis the FIP grant mechanism, the FIP, CIF, and Climate Change in general:

- Emphasis and reference to UNDRIP, ILO 169, concept of collective lands (“Territorialidad”), holistic indigenous cosmovision including spiritual, social, cultural, political and economic aspects of the space.
- As a consequence, FPIC in all processes related to all strategies of cc mitigation and adaptation is seen as a condition sine qua non for both national and international negotiations.

Call for World Bank and other MDB’s not to finance projects that contradict objectives for forest conservation; acceptance of indigenous proposals for other funds: CTF including renewable energy.

Workshop management: The group decided to manage the workshop with two selected co-chairs instead of the WB-hired facilitator. No summary of previous regional meetings in Ghana and Lao was available to the group (unlike in Lao, where the group build directly on the Accra declaration. Workshop agenda was made available (in draft) only at beginning of meeting.

General feedback on FCPF (and relationship with FIP):

- IPs feel that R-PP template is not sufficiently self-explanatory to invite active participation in the formulation process; especially

the logical sequence of information, consultation/ participation throughout template requires more clarity (observation: this point clearly reflects earlier template versions);

- Identification of important stakeholders has been carried out in a not sufficiently comprehensive manner; no specific cases were mentioned;
- Consultative process in general questioned on grounds of incomplete representation, insufficient time for self organization due to lack of adequate time;
- Operational policy 4.10 on indigenous peoples and FCPF procedures: there seem to exist contradictions between these two, especially with limited FCPF concept on “land tenure” versus the broader concept of customary rights and collective rights including the concept of “territorialidad”;
- Poverty alleviation: concept of poverty not described by lack of money alone. Therefore compensatory REDD payments for IP means putting the indigenous world upside down. Priorities are not compensation payments but pushing through claims for self determined concept of life including claims for land, rights, titles and self determination. In this sense, “poverty reduction” as a pretext to get access to indigenous territories, is clearly opposed;
- Project vs. program approaches: what does “jurisdictional approach” as a sub national approach really mean for IP and local communities?
- World Bank replicates vertical structures and procedures of national states versus rights of IP; there is a clear need – and will on the side of IPs – to deal with these aspects through dialogue;
- There is a clear need for all relevant FCPF documents to be translated into Spanish, otherwise language barrier too big.
- Constructive attitude to strengthen and widen meaningful dialogue between IPs and local community representatives and the FCPF process and FMT.

FCPF CARBON FUND COMMENTS

FCPF presentation and discussion

Group heterogeneity with respect to knowledge about FCPF and overall time constraints limited group work on collecting feedback on the FCPF Carbon Fund, and on Multiple Delivery Partners. Comments on the introductory presentation of FCPF were positive.

- More work is needed to produce Spanish materials about FCPF for more extensive dissemination in the future.
- FCPF FMT should establish systematic dialogue with IP’s and local communities as a means to increase mutual understanding and indigenous trust into the process.

Carbon Fund:

- More clarification is needed on the roles of governments and of IP and local communities, respectively;
- The concept of “carbon” as a separate “quality” of forests, and as “asset” not compatible with Indigenous world view; inseparably linked to the living forest as material and spiritual world of IPs;
- How would distribution mechanisms work? What will be the role of IP representatives in designing this mechanism? What role

could IPs come to play in the Carbon Fund Participants Committee?

- Relationship between FCPF Readiness and Carbon Fund, and FIP need to be better understood;
- Position on carbon markets: Reluctance to clear refusal. Majority of participants doesn't wish to see market forces "imposed on them and the forests under their stewardship".
- Full understanding of differences between FIP up front investments and Carbon Fund payments requires more time;
- IPs expressed will to actively participate in shaping Carbon Fund procedures.

In summary, the FCPF Carbon Fund did not trigger especially strong feelings or statements. However, there is substantial and apparent need for REDD+ countries to inform, foster active participation, and benefit sharing for and with IP's and local communities.

Recommend to design a dedicated line of activities addressing requirements and needs of Indigenous Peoples and local community representatives. A work proposal could be ready by the next PC and submitted for consideration; this work should complement work undertaken by UN-REDD and should give FCPF a clear profile in this issue.

1. Recommend: Participation of strong representation of FCPF FMT in the upcoming Global Meeting, proposing early May in Brasilia, including systematic prep work between FMT and CIF admin unit.
2. planned global meeting, I see the need for a prep meeting bringing together 2-3 recognized leaders from each region for 2-3 days, together with two seasoned facilitators.

FCPF MULTIPLE DELIVERY PARTNERS COMMENTS

Multiple delivery partners:

- In some cases, IDB closer to reality of countries in the region;
- Important that delivery partners' application of safeguards does not differ significantly from World Bank standards, avoid different procedures and developments in neighboring countries,
- Concern that operation through multiple delivery partners will make process more bureaucratic, more expensive;
- In general terms, the highest standards/ safeguards of any of the delivery partners should be applied, these should be compliant with FPIC principle;
- A concrete voice advocated clearly against a specific regional development Bank for the extraordinarily burdensome procedures with disbursement involved.

All in all, multiple delivery partners remained too abstract a concept in the short available time to result in more detailed consideration and observations.