

24 October 2009

Members of the Participants Assembly and Participants Committee of the Forest Carbon Partnership Facility:

We, the signatories to this letter, are sharing the attached memorandum with the Participants Assembly and the Participants Committee of the Forest Carbon Partnership Facility (FCPF) to formally call for greater clarity, transparency, and accountability in FCPF decisionmaking. Greater clarity, transparency, and accountability would effectively streamline FCPF decisionmaking and enhance the efficiency as well as the credibility and integrity of the FCPF. Moreover, improved decisionmaking procedures would also help the FCPF to better fulfil its two main purposes: (1) providing resources to enable countries to achieve REDD and (2) providing insights into the challenges of implementing a REDD mechanism. A successful REDD mechanism is one that is effective, efficient, and equitable. Ensuring that funding decisions are made in accordance with REDD readiness principles and performance-based standards will increase the effectiveness and efficiency of the Readiness Mechanism. Ensuring that the readiness process proceeds in a manner that is fully compliant with the World Bank's safeguard policies and applicable international obligations, including Indigenous Peoples' right to free prior and informed consent, will help to ensure that the readiness process leads to an equitable result. Finally, clear, transparent, and accountable decisionmaking procedures will result in a better-documented programme subject to more accurate assessment of its successes and failures as well as attribution for the same, allowing for more lessons to be learned from the FCPF as a pilot REDD initiative.

The success of FCPF will be measured by its ability to implement effective, efficient, and equitable REDD readiness through its performance of the key institutional functions of oversight, financial support, standard-setting, certification of results, and accountability. Crosscutting these functions is the consistent application of agreed principles and standards to hold national governments accountable for their performance. This is not easy, because such decisions are politically sensitive. However, through the consistent application of performance-based standards agreed to be necessary to achieve the common goal of effective, efficient, and equitable REDD, the FCPF can mitigate the political character of such decisions by shifting from a political model of decision making to a more judicial model of decisionmaking. FCPF's success or failure in meeting these institutional challenges will have significant implications for its future and that of other international REDD efforts.

Accordingly, FCPF must

- Clarify key decision gates in a REDD country's progression from its acceptance into the Readiness Mechanism to the award of a readiness grant and consideration of the resulting Readiness Package. The iterative dialogue about requirements for REDD readiness and the safeguard policies being promoted by the FMT is not an adequate

substitute for transparent key decision gates through which REDD countries proceed only if their performance so far has been consistent with agreed performance-based standards.

- Ensure that readiness funding decisions are made in accordance with agreed principles and performance-based standards necessary for ensuring the effective, efficient, and equitable implementation of REDD and with World Bank safeguard policies and applicable international obligations.
- Ensure transparency regarding the inputs, decisionmaking process, and results at each decision gate.

REDD institutions need to demonstrate the political legitimacy, environmental integrity, effectiveness, responsiveness, and accountability sufficient to gain the confidence of both local communities and international investors. The political legitimacy required for REDD must be grounded in broad consultation and participatory decisionmaking, consistent application of agreed principles, and the highest standards of transparency and accountability. We look to both Donor Countries and REDD Country Participants to strengthen the political legitimacy of the FCPF by taking concrete actions to address the concerns discussed in the attached memorandum.

Sincerely,

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