

**Remarks by Ms. Kathy Sierra, Vice President, Sustainable Development Network
to the Forest Carbon Partnership Facility Participants Assembly
Second Participants Assembly Meeting
October 26, 2009
Washington, DC**

Kathy Sierra: Thank you very much Joelle, and let me share Joelle's words in welcoming you to Washington, and thank you for joining us for the Second Participants Meeting of the Assembly of the FCPF. A lot has happened, as Joelle has said, since we launched the FCPF in Bali at the COP in 2007, and you recall that there the parties that were negotiating in Bali agreed that reducing emissions from deforestation and forest degradation, conservation and other forest activities, which I'll call today REDD+, should play a role in the future climate regime, and with that decision in 2007 there's been encouraging progress, not just in the work that we're doing as part of the FCPF, but I think in the broader dialogue about the importance of forests in the climate regime. We're seeing a lot of progress being made in the recent Bangkok meeting, for example, summarized in the non-paper. I love those kind of terms, the non-paper. Our attention now is going to Barcelona next week and then Copenhagen to watch what decisions are made by the negotiators and then to make sure that we continue to be aligned with them.

It's really wonderful to see the very large number of developing countries who have expressed interest in participating in the FCPF. Thirty-seven of these countries have been selected to be part of the readiness mechanism, and most of those 37 countries that are here today. So for those of you that this is your first meeting, very much welcome to the participants meeting. A number of you are now actively working on organizational framework for REDD and also integrating REDD+ into your own development strategies and your own low-carbon development strategies, and so thank you all, and especially those countries that have moved ahead for your leadership in demonstrating what it will take to get ready for REDD+ regime.

I'd like to also thank the 14 countries and organizations who've committed about \$115 million to the Readiness Fund. Without you we would not be able to be having this kind of partnership as well. We've also received some very good news that Denmark may soon be joining us, a new donor participant. They have a few more "tramites", as we say in Spanish, little hurdles to overcome, but I understand that that is likely to be forthcoming, hopefully.

We all know that the funding that's available in the FCPF is going to be a very small fraction of the total financing that's needed to protect forests,

but we're certain that with the Readiness Fund, the Carbon Funds, the FCPF from UN-REDD programs, a range of multilateral and bilateral source NGOs and foundations, that we will be seeing more resources flowing to these programs. Now in terms of the consultations that have brought us here, I'm really pleased with the extensive consultations that have happened with both forest countries, but also a civil society organizations and indigenous peoples, and they are also represented in this room today, and we very much expect that this dialogue, these conversations will intensify and continue, but particularly at the country level.

Now we know that building on a global partnership such as REDD+ is a very large endeavor and there's many hurdles that have to be overcome, and we need to be mindful of these as you have your discussions. We know the world needs food and energy, populations are growing, policies are decided at multiple levels of government, not always easy to come with one coherent whole. The objectives, traditional communities of the private sector of civil society organizations and governments are not always the same. The rules of engagement and operation among international organizations are different. Those have to be aligned, and climate change itself is not reducing effects on forest ecosystems.

So that's a very long list, but I guess a question we should ask ourselves is, is that too daunting? Should we give up? I think that, I hope that you all agree that, absolutely no, we should not, we can't. Tropical deforestation is responsible for a very large share of global emissions, and without tackling this head on a safe level of greenhouse gasses is beyond reach, and that was a point that's been made, I think it would increase in fervor in the climate discussions and the World Bank has also released something called the World Development Report last year and made that point in very strong terms. So we have to be working on this arena, I think, with even more energy.

Now one of the things that we note and as I see around the room is that this facility, the FCPF with this balanced governance structure, really trying to bring together professional expertise and technical expertise with these financial resources together is already showing that it can make an important contribution to those challenges. We see the FCPF as an inclusive and participatory platform. This is a place where ideas are tested and ideas are debated, where each REDD country generates a lot of value by bringing its own knowledge and experience and where participants and observers are free to discuss issues openly. I think we have to have those values here at the table because this is hard stuff that we are collectively doing. It's important stuff, and so we need to take the time to have these discussions openly and then move forward as we see what the pathway will be. For our own part at the Bank, we fully support the FCPF and continue

to do so. We put our own financial resources on the line. Many of our best staff members are putting in their time supporting REDD countries and providing support, and really we do stand to work as hard as we can with our partners to really work to what ever the parties in the UNFCCC processes decide.

Now we in the Bank play multiple roles and, as you know, we're trustee for this endeavor, the facility management team, we also can be an implementer. The Bank was the implementing agency for the FCPF when the partnership was set up, but we think today there may be good reasons to look beyond the Bank and to see if we should open up the implementation of the FCPF to other organizations, if that would allow us to maximize the delivery potential. Let's be honest, sometimes the Bank may not be the best positioned to support REDD preparation in a particular country. So what I'd like you all to do in your deliberations is to consider whether or not one should open up, or even do this in a pilot phasing manner, this program to other participants, what might be other precedence that might be on the table for such arrangements, think about the possible implications, and provide some guidance on how we want to move forward.

As you think about this, I think it's important that we've heard from the Participants Committee repeated calls for increasing cooperation with UN programs and the Forest Investment Program, and I just wanted to report a little bit of where are on that. I'm happy to report that the FCPF facility management team and the UN-REDD Program Secretariat have made really important and serious efforts to harmonize the procedures. They've focused on harmonizing guidelines on stakeholder engagement across the three initiatives and a common use of readiness preparation proposals by the FCPF and UN-REDD. So I think that is great progress. I'm sure there is more that we can do, but I wanted to report on that.

Also with the Forest Investment Program, you will recall that last July donor countries made initial pledges of about \$349 million to the Forest Investment Program, which is one of the programs of the Strategic Climate Fund under the Climate Investment Funds that the Bank manages. This CIF administrative unit is starting the process to operationalize the FIP, and in fact tomorrow is the first meeting of the FIP subcommittee to look at its work program for fiscal year 10.

It's going to be looking at the terms of reference for its own expert group and section criteria for pilot countries, under the FIP. So that subcommittee will eventually decide on the number of pilots that will be supportive, and eventually with the expert advice those countries themselves, and once that list is in place I see a lot of opportunity for collaboration between FCPF, UN-REDD and the CIF, and I think frankly that is one of the things that will be very important for us to monitor and to really push, because we see

these things as all kind of logically aligned with each other, and to the extent to which we can build on the knowledge and the resources of the various programs even better. To make that happen in a more fluid manner, we've asked the CIF administrative unit to participate in the FCPF meetings and those of UN-REDD this week and visa versa. So we want to make sure that we're really learning from the different programs and seeing the ways that we can actively work together. I know that the FIP subcommittee was looking forward to hearing from FCPF and UN-REDD about the early lessons and experiences, and so again that will be work to cover today and during this week.

Now I also wanted to note that in countries where the FCPF and UN-REDD are both involved, at the country level there's also been a lot of progress and joint assistance in countries, and we're working on ways to even capitalize even further on the comparative advantage of UN agencies and the Bank. We think we should be looking at working with other multilateral development banks, especially those actively participating in the FIP.

So these are some of the points on your agenda, and so I think you're going to have a very busy day, so I'm going to stop talking in a minute, just to say thank you very much. We want to see by the end of this week that we have made significant progress in the work that you're doing under the FCPF in launching the FIP and making sure that we're aligning UN-REDD, FCPF and the FIP towards the preservation forest, towards the improvement of livelihoods of the poorest, toward improving the environmental management of the countries that you represent and that we are so interested in. I want to wish you success. I really hope that we'll be able to go to Barcelona next week with very good news to those that are observers of these processes to say that, by putting together a very coherent and cohesive participatory approach, a very open platform, that we can make the kind of progress that's going to be needed, not just for forest, but really frankly for all the work that we do in the climate arena.

So we're kind of launching new processes here which I think will be very useful in going forward. I'm not going to be able to stay much longer until about 10:15, but I do want to hear at least some of the report out, because from here I'm going to the meeting on the pilot program for climate resilience. This whole week is devoted to the Climate Investment Funds and the FCPF. So I do hope you'll take advantage of many of your colleagues that are here from other parts of the climate regime to share experiences and to see whether we can continue to build stronger partnerships going forward. So thank you, Joelle and to the team, and I look forward to hearing about a very successful set of meetings. Thank you.