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Vice President
Sustainable Development

May 10, 2011

Ms. Joan Carling
Secretary General
Asia Indigenous Peoples' Pact
Chiang Mai, Thailand

Mr. Juan Carlos Jintiach
International Cooperation Coordinator
Coordinadora de las Organizaciones Indígenas
de la Cuenca Amazónica
Quito, Ecuador

Dear Ms. Carling,
Dear Mr. Jintiach,

Subject: Your Recent Letter on the Forest Carbon Partnership Facility (FCPF)

Thank you for your letter of April 11, 2011, in which you requested the World Bank to conduct a global consultation meeting with Indigenous Peoples on the Forest Carbon Partnership Facility (FCPF).

The World Bank, which acts as trustee and secretariat for the FCPF, and is also the main "Delivery Partner" for the FCPF, is committed to the full and effective participation of Indigenous Peoples and local communities in the operations financed by the Bank, which include the REDD+ readiness activities under the FCPF Readiness Fund. Given the broad nature of the issues raised in your subject letter, I have had my staff prepare a detailed response and clarifications to the key issues, which are provided as an attachment.

As you are aware, the World Bank, despite its responsibilities as trustee, secretariat and Delivery Partner for the FCPF, is not the decision-making entity of the FCPF. The Participants Committee is the body that decides on work programs and budgets. Therefore, I have instructed the FCPF secretariat to share your letter with the Participants Committee to take up the topic at its next meeting on June 20-22, 2011 in Oslo, and to invite you to this meeting so you may be able to discuss your proposal with the Participants Committee directly.

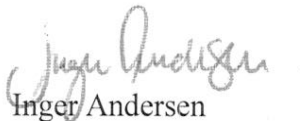
In addition, as explained in the attachment, a Task Force has been set up by the Participants Committee on the use of environmental and social safeguards in the context

of the FCPF Readiness Fund. This Task Force is advising the Participants Committee on the development of a "Common Approach" to safeguards to be used by the World Bank and other Delivery Partners, including Multilateral Development Banks and United Nations Agencies. I would encourage you to participate in this Task Force to be part of the design of the Common Approach.

I trust that there is more that we can do together to enhance the flow of information between Indigenous Peoples and the FCPF and increase the quality of participation of Indigenous Peoples in the FCPF, consistent with the Cancun Agreements' principle of full and effective participation of Indigenous Peoples in REDD+.

Based on my interest in a direct and sustained dialogue with Indigenous Peoples representatives, I would like to suggest that we follow up in person when we meet at the UN Permanent Forum on Indigenous Issues on Friday, May 20, 2011. I will ask my staff to contact you to arrange a meeting. I look forward to seeing you in New York.

Sincerely,



Inger Andersen
Vice President
Sustainable Development Network

Forest Carbon Partnership Facility (FCPF)
World Bank Response and Clarifications to
Letter from Ms. Joan Carling and Mr. Juan Carlos Jintiach of April 11, 2011

Involvement of Indigenous Peoples in the FCPF

Before the FCPF became operational in 2008, the Bank conducted three information exchanges with self-selected Indigenous Peoples in Kathmandu, Bujumbura and La Paz. These events were not consultations, but they gave the Bank the opportunity to explain the FCPF concept, hear the concerns of Indigenous Peoples in relation to REDD, and make adjustments to FCPF processes. For example, the Readiness Preparation Proposal (R-PP) template takes cognizance of Indigenous Peoples' concerns, such that many R-PPs now indicate plans for working on benefit sharing, land tenure, governance, participation and other concerns in the context of developing a Readiness Package. These early information exchanges in Kathmandu, Bujumbura and La Paz exchanges contributed to creating favorable conditions for moving towards an inclusive REDD+ readiness process.

Furthermore, an observer position was created for forest-dependent Indigenous Peoples in the governance structure of the FCPF and fully funded by the FCPF. As Mr. Jintiach has experienced in most meetings of the FCPF Participants Committee since its inception, Indigenous Peoples have fully exercised their role and increasingly expressed their concerns in the Participants Committee through that seat at the table. The Indigenous Peoples observer and other Indigenous Peoples representatives present at the recent Participants Committee meeting in Vietnam were involved in the drafting of Resolutions on the allocation of funding for the implementation of the R-PPs for Cambodia and Peru and successfully introduced strong clauses on issues of concern to them. These are just illustrations of the degree of involvement of Indigenous Peoples in the FCPF process. Given that FCPF decisions are taken collegially and by consensus, Indigenous Peoples have wielded considerable influence in the decision-making process of the FCPF.

The team conducting the first FCPF program evaluation consulted with Indigenous Peoples representatives. The interim results that were presented at the recent PC meeting recognize the meaningful participation of Indigenous Peoples in the FCPF process so far and highlight the need for maintaining this effective level of engagement throughout the REDD+ process. The Participants Committee will be deliberating on the recommendations of the final report, including issues relevant to Indigenous Peoples, after it becomes available later this month.

With respect to the mode of selection of the Indigenous Peoples observer to the FCPF Participants meetings, the Participants Committee took note of the proposal of Indigenous Peoples, introduced by Mr. Jintiach, namely that the FCPF could follow the same self-selection process as adopted by the Forest Investment Program (FIP), which is a joint program of the Multilateral Development Banks under the Climate Investment Funds (CIF), of which the World Bank is the trustee and hosts the CIF Administrative Unit, which provides secretariat services. The FCPF Facility Management Team looks forward

to learning the results of this self-selection process, assessing its operational and financial consequences, and making a proposal accordingly to the Participants Committee. We understand that the self-selection process will be completed by June 2011. Indigenous Peoples may have other proposals which they may wish to share with the Facility Management Team before the next Participants Committee meeting (June 20-22, 2011 in Oslo).

The FCPF has also participated in global and regional meetings organized by Indigenous Peoples' organizations, such as the Africa Indigenous Peoples Summit on Climate Change and Indigenous Peoples, March 2009 in Nakuru, Kenya, the Asia Indigenous Peoples' Summit on Climate Change, February 2009, in Bali, Indonesia, the Indigenous Peoples' Global Summit on Climate Change, April 2009 in Anchorage, Alaska, and the International Indigenous Peoples' Technical Workshop with States on the UNFCCC Negotiations, September 2010 in Xcaret, Mexico, as well as various side events at the UN Permanent Forum on Indigenous Issues. All these meetings continue to enhance the effectiveness of FCPF in dealing with Indigenous Peoples and ensuring that their views are incorporated into national REDD+ readiness processes and FCPF-wide decisions.

As you noted in your letter, the Bank also decided to take advantage of the regional caucuses organized by the FIP on the design of its Dedicated Grant Mechanism for Indigenous Peoples and Local Communities to organize information exchanges on the FCPF. Bank representatives working on the FCPF were present in Accra, Vientiane, Lima, and Bangkok.

Perhaps more importantly than these positive developments in FCPF governance structure, significant progress is being made in many countries participating in the FCPF, given that it is at the level of each country that challenges have to be addressed and solutions found to ensure the full and effective participation of Indigenous Peoples in REDD+. Bank staff members have spent considerable time reaching out to Indigenous Peoples and civil society organizations in Costa Rica, the Democratic Republic of Congo, Ethiopia, Ghana, Guyana, Indonesia, Kenya, Liberia, the Republic of Congo, and Uganda, amongst other countries. Partly as a result of the FCPF, Indigenous Peoples and civil society representatives are now part of the REDD+ institutions in an increasing number of countries. It is clearly at the level of each country that the opportunities and risks created by REDD+ for Indigenous Peoples materialize. It is therefore logical that most of the efforts to ensure full and effective participation of Indigenous Peoples and local communities be focused at the country level.

It is also worth highlighting the modest but effective contribution of the capacity building program funded by the FCPF (about \$200,000 per year, as per a decision of the Participants Committee in October 2008) to promote the mutual understanding among Indigenous Peoples and the REDD+ community. The program has financed a range of proposals from Indigenous Peoples organizations from Africa, Argentina, the Amazon Basin (including COICA), Colombia, the Democratic Republic of Congo, Indonesia and Panama. Among the proposals funded were efforts to disseminate international REDD+ proposals to indigenous communities in various countries, and allow them to use this knowledge to participate in the national REDD+ readiness preparation such as in Panama, or the mapping of indigenous community settlements such as in Indonesia.

Most recently, the FCPF has initiated a work program designed to understand how Indigenous Peoples and local communities can actively participate in measurement, reporting and verification (MRV) for REDD+ as part of a national MRV system. Initial expressions of interest have been received from Indigenous Peoples' organizations to participate in this work program.

Finally, it is worth recalling that the Participants Committee decided in October 2008 to allocate \$75,000 per year to assist the flow of information between Indigenous Peoples and the FCPF. It would be important to revisit how best to use this money once Indigenous Peoples have determined their self-selection process with respect to the FCPF.

Free, Prior and Informed Consent

The Bank has closely examined the decision by the Conference of the Parties to the UNFCCC in Cancun and we believe that the policies and procedures that we are following in FCPF are wholly consistent with that decision (in particular Annex I, paragraph 2 (c), which calls for "respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples" [UNDRIP]). We duly note in the new R-PP template that the UNDRIP has been adopted by the UN General Assembly, and we are confident that our Operational Policy, OP 4.10, provides safeguards that are consistent with the Cancun decision and enable the Bank to operate in a manner that can be considered to be equivalent to Free, Prior and Informed Consent.

The Board of Executive Directors of the World Bank recently decided to launch a 24-month long effort to update and consolidate the Board-approved environmental and social safeguard policies. This process will include Operational Policy 4.10 on Indigenous Peoples, which currently provides for free, prior and informed consultation leading to broad community support as a condition of project processing. This updating exercise will involve significant consultations with a range of constituencies, including Indigenous Peoples. Our direct dialogue with Indigenous Peoples representatives is providing important inputs to the exercise and will inform the Board's decision in due course. The Bank plans to have discussions with Indigenous Peoples representatives on the updating and consolidation process during the next meeting of the United Nations Permanent Forum on Indigenous Issues in May.

Environmental and Social Safeguard Policies in the Readiness Fund of the FCPF

With respect to the use of environmental and social safeguard policies in the context of the proposed opening of the Readiness Fund of the FCPF to Multiple Delivery Partners (consisting potentially of the Regional Development Banks and the three UN Agencies making up the UN-REDD Programme), a Task Force was set up last November, which has been actively working on developing a Common Approach to environmental and social safeguards that would have to be fulfilled by each Delivery Partner. The Task

Force includes several Indigenous Peoples' experts such as Mr. Onel Masardule from Panama, Mr. Elifuraha Laltaika from Tanzania, and Mr. Jintiach, who joined the meeting of the task force in Vietnam. Despite multiple invitations to Indigenous Peoples' representatives from Asia, we have received no response about their willingness to participate; hence we would welcome recommendations from Ms. Carling in this respect. The principle is that, while each Delivery Partner would apply its own policies and procedures in the context of the FCPF Readiness Fund (very much like in the case of the FIP), a strong Common Approach would ensure that the standards of the World Bank are upheld, with each Delivery Partner achieving material equivalence with the World Bank's policies and procedures. Those Delivery Partners that have policies and procedures with features that can be deemed more rigorous than the Bank's, including the use of FPIC for Indigenous Peoples, will continue to use these policies and procedures.

The proposal to rely on Multiple Delivery Partners in the FCPF Readiness Fund was approved by the Bank's Board of Executive Directors on March 21, 2011, which paves the way for a number of countries to receive readiness support from partners other than the Bank. This development will allow a broader number of development partners to support FCPF since the Bank is simply not able to provide the required services to all 37 FCPF countries by itself. The Common Approach, which is expected to be endorsed by the FCPF Participants Committee in June 2011, will ensure that services are rendered by different Delivery Partners in a consistent fashion. As Mr. Jintiach knows, at its March 2011 meeting, the Participants Committee also decided to undertake a "targeted outreach" on the Common Approach. The timing for this outreach has not been set, but it is subject to a budget allocation by the Participants Committee in June 2011.

At the same time that the Bank's Board of Executive Directors approved this principle of relying on Multiple Delivery Partners subject to conditions being met (the Common Approach being a very important one), the Board also approved the approach to environmental and social safeguards that had been in preparation for about two years. The use of a Strategic Environmental and Social Assessment (SESA), combined with the production of an Environmental and Social Management Framework (ESMF), is now the Board-approved approach to ensuring that environmental and social concerns are integrated into the national REDD+ strategy process and safeguard requirements are met. The exact text of the Board-approved proposals can be provided to you on request, but the details have already been incorporated into the guidelines for the R-PP. In addition, kindly note that OP 4.01 on Environmental Assessment has also been revised to make explicit references to SESAs and ESMFs as recognized safeguards instruments.

Bank Management is well aware that the SESA/ESMF approach is still to be piloted in FCPF countries and will require significant capacity building by the Bank to benefit REDD Country Participant actors, including Indigenous Peoples, and significant monitoring. For this reason, a Senior Social Development Specialist is being recruited to join the Facility Management Team in the next few months.