

## TRANSFER AGREEMENT

### READINESS FUND OF THE FOREST CARBON PARTNERSHIP FACILITY (TF NO. 012474)

WHEREAS the International Bank for Reconstruction and Development (“IBRD”), as trustee (the “Trustee”) of the Readiness Fund of the Forest Carbon Partnership Facility (TF No. 012474) (“Trust Fund”) and the Inter-American Development Bank (“IDB”, the “Delivery Partner”, and together with the Trustee, the “Parties” and each a “Party”) are entering into this Transfer Agreement (the “Transfer Agreement”) for the transfer of funds by the Trustee to the Delivery Partner from the Trust Fund;

WHEREAS the Trust Fund has been established through the Charter Establishing the Forest Carbon Partnership Facility (the “Charter”);

WHEREAS the Participants Committee of the Forest Carbon Partnership Facility (“FCPF”) (the “Participants Committee”) decided, through its Resolution PC9/2011/1, to approve the IDB as a Delivery Partner under the Trust Fund;

WHEREAS the Delivery Partner may provide requests to the Trustee for the transfer of funds from the Trust Fund, which the Trustee shall transfer under this Transfer Agreement in accordance with the terms set forth herein; and

WHEREAS the Delivery Partner, in accordance with its rules, regulations, policies, procedures and approval processes, relevant decisions of the Participants Committee and in accordance with the terms hereof, will enter into grant agreements with REDD Country Participants to provide grants from funds transferred to the Delivery Partner by the Trustee from the Trust Fund pursuant to this Transfer Agreement.

NOW THEREFORE, the Parties hereto agree as follows:

1. Capitalized terms used herein, but not otherwise defined in this Transfer Agreement, shall have the meanings ascribed to them below or in the Charter:

**“Administrative Fees for Other Delivery Partner Support”** means the amount approved by the Participants Committee, to be transferred by the Trustee to the Delivery Partner as funds for assisting the defrayment of other costs and expenses incurred by the Delivery Partner under this Transfer Agreement which are not accounted for under the Administrative Fees for Preparation Support, including but not limited to, audit costs;

**“Administrative Fees for Preparation Support”** means the amount approved by the Participants Committee, to be transferred by the Trustee to the Delivery Partner as funds for preparation support, direct engagement, administration and monitoring by the Delivery Partner of the activities in a REDD Country Participant;

**“Allocation”** means the portion of the Trust Fund resources that has been approved by the Participants Committee for Readiness Activities, Administrative Fees for Preparation Support, Administrative Fees for Other Delivery Partner Support and/or Dispute Resolution Reinforcing Costs, and allocated to the Delivery Partner;

**“Calendar Year”** means the period from January 1 through December 31 of each calendar year;

**“Common Approach”** means the Common Approach to Social and Environmental Safeguards for Multiple Delivery Partners under the FCPF Readiness Fund, as described and approved by the Participants Committee, through its Resolution PC/9/2011/1 and attached to this Transfer Agreement as Annex 1;

**“Dispute Resolution Reinforcing Costs”** means the amount approved by the Participants Committee, to be transferred by the Trustee to the Delivery Partner as funds for reinforcing the Delivery Partner’s capacity for dispute resolution in matters pertaining to the Readiness Activities;

**“Donor Participant”** means a donor that has signed a donor participation agreement to participate in the Trust Fund;

**“End Date”** shall have the meaning given to it in Paragraph 17 of this Transfer Agreement;

**“Facility Management Team”** means the team established by the IBRD to manage the FCPF as described in the Charter;

**“Funds”** means, collectively, the Transferred Funds and any Investment Income earned thereon;

**“Investment Income”** means the net investment income earned on the Transferred Funds for Readiness Activities;

**“Letter of Commitment”** means the letter from the Trustee to the Delivery Partner making the commitment of Allocations for Readiness Activities to the Delivery Partner, which shall be substantially in the form attached to this Transfer Agreement as Annex 2;

**“Readiness Activities”** means goods, works or services for technical assistance or capacity building activity or activities that are to be financed on a grant basis with funds from the Trust Fund to support a REDD Country Participant’s Readiness Preparation Proposal and Readiness Package;

**“REDD Country Participant”** means a REDD country that was selected as a REDD Country Participant pursuant to the procedures set forth in the Charter, that has entered into a REDD country participation agreement with the Trustee, and for which the Participants Committee has approved IDB to act as its Delivery Partner;

**“Transfer Request”** means a request submitted by the Delivery Partner to the Trustee for the transfer of Trust Fund resources to the Delivery Partner, which shall be substantially in the form attached to this Transfer Agreement as Annex 3; and

**“Transferred Funds”** means any portion of an Allocation that the Trustee transfers to the Delivery Partner pursuant to this Transfer Agreement.

2. ***Transfer of Allocation for Readiness Activities:***

(a) Once the Participants Committee has approved an Allocation for Readiness Activities to the Delivery Partner, the Trustee shall, subject to the availability of the Trust Fund funds, commit to the Delivery Partner such Allocation in the amount approved by the Participants Committee, and confirm such commitment by means of a Letter of Commitment to the Delivery Partner. Once the Letter of Commitment has been issued by the Trustee for the Allocation for Readiness Activities, the Delivery Partner may request the Trustee to transfer such Allocation to the Delivery Partner pursuant to this Transfer Agreement by submitting to the Trustee a Transfer Request. Upon receipt

of the Transfer Request, the Trustee shall transfer the requested amount of the Allocation for Readiness Activities to the Delivery Partner by wire transfer to the bank account specified in such Transfer Request in one lump sum; provided that: (i) the amount to be transferred by the Trustee to the Delivery Partner is consistent with and does not exceed the specific Allocation for Readiness Activities approved by the Participants Committee; and (ii) the amount of available funds in the Trust Fund equals or exceeds the amount of the Allocation requested in the Transfer Request.

(b) Notwithstanding Paragraph 2(a) above, as the Participants Committee has approved the Allocation for Readiness Activities for Guatemala, Guyana and Peru in the total amount of eleven million and four hundred thousand United States Dollars (USD11,400,000) to the Delivery Partner pursuant to Resolutions No. PC/3/2009/3, PC6/2010/9, PC/8/2011/7, PC/11/2012/1 and PC/Electronic/2012/1, the Delivery Partner may submit a Transfer Request to the Trustee promptly upon the effectiveness of the Transfer Agreement for the transfer of such Allocation for Readiness Activities. Upon receipt of the Transfer Request, the Trustee shall transfer the requested amount of the Allocation for Readiness Activities to the Delivery Partner by wire transfer to the bank account specified in the Transfer Request in one lump sum.

***Transfer of Allocation for Administrative Fees for Preparation Support:***

(c) The Trustee shall transfer to the Delivery Partner the Allocation for Administrative Fees for Preparation Support: (i) in the amount and installments based on the schedule approved by the Participants Committee; and (ii) upon the submission of a Transfer Request by the Delivery Partner to the Trustee for the transfer of such Allocation in each installment, by wire transfer to the bank account specified in the Transfer Request; provided that: (A) the amount to be transferred by the Trustee to the Delivery Partner is consistent with and does not exceed the specific Allocation for Administrative Fees for Preparation Support approved by the Participants Committee; and (B) the amount of available funds in the Trust Fund equals or exceeds the amount of Allocation requested in the Transfer Request.

(d) Notwithstanding Paragraph 2(c) above, as the Participants Committee has approved the IDB to serve as the Delivery Partner for Guatemala, Guyana and Peru pursuant to Resolutions No. PC/9/2011/1 and PC/10/2011/4, the Delivery Partner may submit a Transfer Request to the Trustee promptly upon the effectiveness of the Transfer Agreement for the transfer of the first installment of the Allocation for Administrative Fees for Preparation Support for Guatemala, Guyana and Peru in the total amount of up to one million and two hundred thousand United States Dollars (USD 1,200,000), in accordance with the Resolution PC/Electronic/2012/1. Upon receipt of the Transfer Request, the Trustee shall transfer such requested amount of the Allocation for Administrative Fees for Preparation Support to the Delivery Partner by wire transfer to the bank account specified in the Transfer Request in one lump sum.

***Transfer of Allocation for Administrative Fees for Other Delivery Partner Support:***

(e) Once: (i) the Participants Committee has approved the Allocation for Administrative Fees for Other Delivery Partner Support to the Delivery Partner; and (ii) the Delivery Partner has submitted a Transfer Request to the Trustee for the transfer of such Allocation, the Trustee shall transfer the requested amount of Administrative Fees for Other Delivery Partner Support to the Delivery Partner by wire transfer to the bank account specified in such Transfer Request in one lump sum; provided that: (A) the amount to be transferred by the Trustee to the Delivery Partner is consistent with and does not exceed the specific Allocation for Administrative Fees for Other Delivery Partner Support approved by the Participants Committee; and (B) the amount of available

funds in the Trust Fund equals or exceeds the amount of Allocation requested in the Transfer Request.

***Transfer of Allocation for Dispute Resolution Reinforcing Costs:***

(f) The Trustee shall transfer to the Delivery Partner the Allocation for Dispute Resolution Reinforcing Costs: (i) in the amount and manner approved by the Participants Committee; and (ii) upon the submission of a Transfer Request by the Delivery Partner to the Trustee for the transfer of such Allocation; provided that: (A) the amount to be transferred by the Trustee to the Delivery Partner is consistent with and does not exceed the specific Allocation for Dispute Resolution Reinforcing Costs approved by the Participants Committee; and (B) the amount of available funds in the Trust Fund equals or exceeds the amount of Allocation requested in the Transfer Request.

3. All transfers of funds under this Transfer Agreement shall be made in United States Dollars.
4. Upon the transfer of the Transferred Funds to the Delivery Partner, the Trustee shall have no responsibility, fiduciary or otherwise, for the use of Funds, including the implementation or supervision of Readiness Activities financed by such Funds.
5. Upon the transfer of the Transferred Funds to the Delivery Partner, the Delivery Partner shall be responsible for the use and administration of Funds as well as the supervision of the activities financed by the Funds, all in accordance with: (i) its rules, regulations, policies and procedures (including those in respect of the procurement of goods and services, financial management, reporting arrangements and its framework to combat fraud and corruption); (ii) the purpose for which the Allocation(s) has been approved by the Participants Committee; and (iii) the Common Approach.
6. The Delivery Partner agrees that the Funds shall be kept separate and apart from the funds of the Delivery Partner in one or more dedicated accounts pending their use for the purposes for which the specific Allocation(s) have been approved by the Participants Committee. The Funds in these dedicated accounts may be commingled and may be freely exchanged by the Delivery Partner into other currencies as may facilitate their further disbursement and investment. In the event that the Delivery Partner has provided funding to a third party in a currency other than United States Dollars, any exchange rate risk arising as a result of such conversion of currencies shall be borne by the Delivery Partner. The Allocation for Readiness Activities shall be used solely to finance non-reimbursable grants.
7. Subject to the terms of this Transfer Agreement, the Delivery Partner shall invest all Funds pending their disbursement in accordance with the Delivery Partner's policies and procedures concerning the investment of funds including those applicable to funds for which the Delivery Partner acts as a trustee. The Delivery Partner shall not be held liable for any losses, which may arise from such investment save to the extent provided for in Paragraph 13 below. The Delivery Partner shall return any Investment Income earned to the Trustee every three (3) Calendar Years, or as the Trustee and the Delivery Partner may otherwise agree.
8. The Delivery Partner shall, in accordance with its rules, regulations, policies and procedures: (i) maintain books, records, documents, and other evidence in accordance with its usual accounting procedures to sufficiently substantiate the use of the Funds; and (ii) provide to the Participants Committee and Donor Participants through the Trustee, copies of: (A) periodic financial reports, including annual audited or unaudited financial reports, as agreed with the Participants Committee

and subject to the Participants Committee's allocation for any costs charged by external auditors to audit the financial reports in the Administrative Fees for Other Delivery Partner Support to be transferred to the Delivery Partner; (B) a final audited financial statement for the dedicated account(s) referred to in Paragraph 6 above, in United States Dollars, within six (6) months after the End Date or termination of this Transfer Agreement, whichever is earlier; and (C) such other reports related to the Funds as may be reasonably requested by the Trustee from time to time. Furthermore, all financial statements, audited or not, shall comply with Generally Accepted Accounting Principles ("GAAP") and the cost charged by external auditors to audit the financial statements shall be included in the Administrative Fees for Other Delivery Partner Support and subject to the availability of the Trust Fund funds. For the avoidance of doubt, the first complete calendar year in which this Transfer Agreement is in effect shall be counted as the first year for the purpose of preparing audited financial statements by the Delivery Partner.

9. Except as the Trustee shall otherwise agree, cancelled funds or unused funds from the Allocations for which no further disbursements are due to be made, shall be returned by the Delivery Partner to the Trust Fund no less than annually (or such other frequency agreed with the Trustee), to such account as the Trustee may designate. The Delivery Partner shall maintain a record of any such cancelled or unused funds and report to the Trustee as part of the financial reports referred to in Paragraph 8 above.
10. The Delivery Partner shall prepare and submit the following reports to the Participants Committee, through the Facility Management Team: (i) an annual report on the progress of implementation of its Readiness Activities, to be submitted no later than one hundred and fifty (150) days after the end of each Calendar Year; and (ii) a final report on the implementation of its Readiness Activities, to be submitted within six (6) months following the completion of the implementation of its Readiness Activities under this Transfer Agreement, the End Date or termination of this Transfer Agreement, whichever is earlier.
11. Recognizing the obligations of the Delivery Partner's member countries under various United Nations Security Council Resolutions to take measures to prevent the financing of terrorists, the Delivery Partner undertakes to use reasonable efforts, consistent with its policies and procedures, to ensure that the Funds provided to it by the Trustee are used for their intended purposes and are not diverted to terrorists or their agents.
12. The Delivery Partner shall be responsible only for performing its functions specifically set forth in this Transfer Agreement and shall not be subject to any other duties or responsibilities, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or a trustee under general principles of trust or fiduciary law.
13. In performing its functions in accordance with the terms of this Transfer Agreement, the Delivery Partner shall not be liable for any loss, costs or damages that may result from any act or omission on the part of the Delivery Partner other than those caused by its gross negligence or willful misconduct.
14. Nothing in this Transfer Agreement shall be considered a waiver of any privileges or immunities of IBRD and the Delivery Partner under their respective constituent documents or any applicable law, all of which are expressly reserved. Nothing in this Transfer Agreement shall be considered as an acceptance by the Delivery Partner of the jurisdiction of any national courts or the application of any domestic law.

15. (a) The Participants Committee shall notify the Trustee if the Participants Committee has determined, after consultation with the Delivery Partner, that: (i) with respect to the Readiness Activities of a REDD Country Participant, there has been a substantial deviation from such Readiness Activities' objectives assessed and budget approved by the Participants Committee; (ii) the Delivery Partner has failed to comply with any of the terms of this Transfer Agreement; or (iii) the Delivery Partner has engaged in financial mismanagement, as determined in accordance with the Delivery Partner's policies and procedures. The Trustee shall then notify the Delivery Partner in writing that (i), (ii), or (iii) above has occurred and request the Delivery Partner to remedy or cause such event to be remedied within ninety (90) calendar days of the notification by the Trustee.
- (b) If following receipt of the Trustee notification referred to in Paragraph 15(a) above, the Delivery Partner fails to remedy or cause such event to be remedied within the ninety (90) calendar day period specified in Paragraph 15(a), the Trustee: (i) shall consult the Participants Committee; and (ii) at the instruction of the Participants Committee (in consultation with the Delivery Partner), may, if such relevant event has not been remedied and is continuing, require the Delivery Partner to return the Funds transferred to the Delivery Partner under dispute and/or suspend any transfer of Allocation(s) to be made from the Trust Fund to the Delivery Partner.
- (c) The Delivery Partner and the Participants Committee or the Trustee, as the case may be, shall use their best efforts to amicably resolve any disputes, controversy or claims arising out of or relating to this Transfer Agreement.
16. The Participants Committee may direct the Trustee to claim repayment of the Transferred Funds in full or in part directly from the Delivery Partner to the extent the Delivery Partner has been able to obtain repayment of the same from the recipient of the Funds from the Delivery Partner if said funds are found to be misused or not satisfactorily accounted for. Such repayment shall be in accordance with the Delivery Partner's policies and procedures.
17. The Delivery Partner agrees that it shall not incur any commitments with respect to the Funds after December 31, 2020 (the "End Date"). Any uncommitted Funds remaining with the Delivery Partner after the End Date shall be returned to the Trustee for deposit in the Trust Fund.
18. This Transfer Agreement may be terminated by either Party upon three (3) months prior written notice and upon consultation with the Participants Committee. Following termination, the Trustee and the Delivery Partner shall, in consultation with the Participants Committee to the extent possible, take all necessary action for winding down their affairs in relation to the Readiness Activities in an expeditious manner, and for meeting the commitments already made by the Trustee and the Delivery Partner under this Transfer Agreement prior to the date of the abovementioned termination notice. In the event of any such termination, unless the Parties agree on another course of action, (i) any agreement entered into prior to the termination between the Delivery Partner and any consultants and/or other third parties shall remain in effect and be unaffected by the termination, and (ii) the Delivery Partner shall continue to disburse the Funds in respect of such agreements to the extent necessary to fulfill the Delivery Partner's obligations thereunder as if this Transfer Agreement had not been terminated. All other uncommitted Funds remaining with the Delivery Partner shall be returned to the Trustee for deposit in the Trust Fund.

19. Any communication, notice or request required or permitted to be given or made under this Transfer Agreement shall be executed in writing by the authorized person set forth below and delivered to the address set forth below, or such other contact details as may be notified in writing by one Party to the other from time to time.

For the Trustee:

Trustee for the Forest Carbon Partnership Facility  
Carbon Finance Unit, Environment Department (ENVCF)  
The World Bank  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.

Tel: +1 202 458 4416  
Fax: +1 202 522 7432  
E-mail: [swhitehouse@worldbank.org](mailto:swhitehouse@worldbank.org)

For the Delivery Partner:

All communications pertaining to institutional relation with the Trustee or the Participants Committee and resource mobilization shall be directed to:

Manager  
Office of Outreach and Partnerships  
Inter-American Development Bank  
1300 New York Ave., NW  
Washington, D.C. 20577  
Telephone: (202) 623-2107  
Facsimile: (202) 623-4072  
Electronic mail: [partnerships@iadb.org](mailto:partnerships@iadb.org)

Day-to-day communications regarding the implementation of this Transfer Agreement and management of Trust Fund funds shall be directed to:

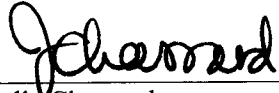
Attention: Chief, Grants and Co-financing Management Unit  
Office of Outreach and Partnerships  
1300 New York Ave. NW  
Washington, D.C. 20577  
Telephone: (202) 623-1774  
Facsimile: (202) 623-3171  
Electronic mail: [org-gcm@iadb.org](mailto:org-gcm@iadb.org)

The Delivery Partner shall, from time to time, provide the Trustee with a list containing the name(s) and signature(s) of person(s) authorized on behalf of the Delivery Partner to sign any requests or reports, including the Transfer Requests, under this Transfer Agreement, in the form attached to this Transfer Agreement as Annex 4.

20. The Trustee and/or the Delivery Partner shall make this Transfer Agreement and any related information on the Trust Fund publicly available in accordance with their policies and procedures with respect to the disclosure of information, in effect at the time of such disclosure.

21. This Transfer Agreement may be amended only by written agreement between the Trustee and the Delivery Partner.
22. This Transfer Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.
23. The Trustee and the Delivery Partner agree that upon receipt by the Trustee of the copy of this Transfer Agreement countersigned by the Delivery Partner, this Transfer Agreement shall become effective as of the date of the Delivery Partner's countersignature.


**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
AS TRUSTEE OF THE READINESS FUND OF THE FOREST CARBON PARTNERSHIP  
FACILITY**

By:   
Name: Joëlle Chassard  
Title: Manager

Date: October 4, 2012

Carbon Finance Unit, Environment Department, Sustainable Development Network

**INTER-AMERICAN DEVELOPMENT BANK**

By:   
Name: Bernardo Guillamon  
Title: Manager  
Office of Outreach and Partnerships

Date: 10/9/12



**ANNEX 1**

**COMMON APPROACH**



**Forest Carbon Partnership Facility (FCPF) Readiness Fund  
Common Approach to Environmental and Social Safeguards  
for Multiple Delivery Partners**

**Contents**

I. Introduction.....2

II. Overview of the FCPF Readiness Preparation Process .....3

III. Environmental and Social Safeguards in the FCPF Readiness Fund .....5

IV. Strategic Environmental and Social Assessments (SESAs) and Environmental and Social Management Frameworks (ESMFs) .....6

V. Stakeholder Engagement in REDD+ Readiness ..... 9

VI. Disclosure of Information..... 10

VII. Grievance and Accountability ..... 10

## I. Introduction

1. This document sets forth a Common Approach to Social and Environmental Safeguards for Multiple Delivery Partners under the Forest Carbon Partnership Facility (FCPF) Readiness Fund (hereafter referred to as the “Common Approach”), as mandated by Participant Committee (hereafter referred to as “PC”) Resolution PC/7/2010/4. The Common Approach shall be part of the legally binding Transfer Agreements that will be executed by the World Bank (hereafter referred to as “WB”), serving as Trustee of the FCPF Readiness Fund (“Trustee”), and the Delivery Partners (hereafter referred to as “DPs”).<sup>1</sup> The Common Approach shall be consistent with the FCPF Charter and relevant resolutions of the FCPF Participants Assembly and Participants Committee. As per PC/7/2010/4, each DP will follow its fiduciary framework, regulations, rules, policies, guidelines and procedures in administering the funds transferred by the Trustee.<sup>2</sup>

2. Environmental and social safeguards and associated policies and procedures are a cornerstone of technical and financial support that DPs provide to achieve sustainable poverty reduction. The objective of these safeguards and associated policies and procedures is to prevent and mitigate undue harm to people and their environment and strive to develop benefits in the development process. More specifically, safeguard policies and procedures are designed to avoid, mitigate, or minimize adverse environmental and social impacts of projects and strategies, and to implement projects and strategies that produce positive outcomes for people and the environment.

3. Under this Common Approach DPs shall achieve substantial equivalence which means equivalence to the material elements<sup>3</sup> of the WB’s environmental and social safeguard policies and procedures applicable to the FCPF Readiness Fund (“Substantial Equivalence”) during the administration of the FCPF Readiness Preparation grant agreement<sup>4</sup> and by complying with FCPF requirements that are in place at the time of signing of their respective Transfer Agreement as follows:

- a. Guidelines and Generic Terms of Reference for Strategic Environmental and Social Assessments (SESAs) and Environmental and Social Management Frameworks (ESMFs) as set forth in Attachment 1 (SESAs and ESMFs shall be compliant with the WB’s safeguard policies and procedures);
- b. FCPF Guidelines on Stakeholder Engagement in REDD+ Readiness preparation as set forth in Attachment 2;
- c. FCPF Guidance on Disclosure of Information as set forth in Attachment 3; and
- d. Provision of access to DP accountability mechanisms as described in Section VII of this Common Approach, including assistance to Pilot Countries efforts to comply with Guidelines

<sup>1</sup> The World Bank also serves as a DP for the FCPF Readiness Fund. Unless otherwise stated, all references to DP in this document are intended to refer to the World Bank and the other DPs.

<sup>2</sup> Paragraph 1(i) of PC/7/2010/4, notes that the PC’s selection of potential DPs was based on those entities that are either implementing entities or executing agencies under the Global Environment Facility (GEF) and either meet or will meet by 2012 the GEF Minimum Fiduciary Standards.

<sup>3</sup> “Material elements” are those procedural and substantive elements of the World Bank’s environmental and social safeguard policies and procedures applicable to the FCPF Readiness Fund that will have a significant impact on the outcomes that are likely to be achieved through the application of WB environmental and social safeguard policies and procedures under the FCPF Readiness Fund.

<sup>4</sup> DP’s use a variety of terms to refer to the legal instrument that channels FCPF Readiness Preparation funds to REDD Countries. For consistency, the remainder of the Common Approach will refer to this legal instrument as the “FCPF Readiness Preparation grant agreement”. See below for a crosswalk of the terminology used by WB, IDB and UNDP.

for Establishing Grievance and Redress Mechanisms at the Country Level as set forth in Attachment 4.

If the environmental and social safeguard policies and procedures of the DP are more stringent and/or protective than those of the WB, the DP shall apply its policies and procedures to activities undertaken under the FCPF Readiness Fund.

4. The contents of this Common Approach will be modified as needed to fulfill the purposes set forth herein. Such modifications will be approved by the PC. Such modifications to the Common Approach will not apply retroactively to existing Transfer Agreements. However, existing Transfer Agreements may be amended to incorporate any significant modifications to the Common Approach if the respective DP agrees in accordance with the amendment procedures of its Transfer Agreement. Reasons for modifying the Common Approach include, but may not be limited to, the need to add new DPs and/or to reflect:

- a. Changes to the FCPF requirements listed in Paragraph 3, for example, to respond to an elaboration of UNFCCC policy guidance on environmental and social safeguards for REDD+;
- b. Changes to the material elements of the policies and procedures of the WB and/or other DPs;
- c. Changes to the disclosure requirements of the FCPF to ensure that all DPs are similarly disclosing documents related to the FCPF Readiness Fund; and
- d. Significant lessons learned through implementation of the Common Approach.

5. Section II of this Common Approach includes an overview of the FCPF readiness preparation process. Section III includes a summary of the environmental and social safeguard policies and procedures that are most relevant to the FCPF Readiness Fund. Section IV describes Strategic Environmental and Social Assessments (SESAs) and Environmental and Social Management Frameworks (ESMFs) and how they will be utilized by all DPs under the FCPF Readiness Fund. Section V provides a summary of the FCPF guidelines on stakeholder engagement in REDD+ readiness. Section VI provides a summary of the FCPF guidance on disclosure of information. Section VII provides a summary of the FCPF requirements on grievance and accountability.

## **II. Overview of the FCPF Readiness Preparation Process**

6. FCPF's initial activities relate to strategic planning and preparation for REDD+ in 37 REDD Countries across Africa, East Asia and Pacific, Latin America and the Caribbean and South Asia. Specifically, countries prepare for REDD+ by:

- a. Assessing the country's situation with respect to deforestation, forest degradation, conservation, sustainable management of forests, and relevant governance issues;
- b. Identifying REDD+ strategy options;
- c. Assessing key social and environmental risks and potential impacts associated with REDD+, and developing a management framework to manage these risks and mitigate potential impacts;
- d. Working out historic forest cover change and greenhouse gas emissions and uptake from deforestation and/or forest degradation and REDD+ activities, and considering options for reference emissions levels, or reference levels, against which to measure performance;
- e. Designing a monitoring system to measure, report and verify the effect of the REDD+ strategy on greenhouse gas emissions and to consider the monitoring and reporting of other

additional benefits, and to monitor the drivers of deforestation and forest degradation, as well as other variables relevant to the implementation of REDD+; and

f. Designing national management arrangements for REDD+.

7. These preparatory activities are referred to as 'REDD+ Readiness' and are supported in part by the Readiness Fund of the FCPF (alongside other initiatives such as the UN-REDD Programme). FCPF Readiness Preparation grants will finance some of this preparatory work, but they will not finance any implementation of REDD+ activities on the ground.

8. Preparatory activities are divided into the following two phases, and a REDD Country is eligible for up to \$3.6 million in FCPF grant funding to support these two phases:

- a. The Formulation phase starts with the formulation of the Readiness Proposal Idea Note (R-PIN), through which the REDD Country expresses its interest in participating in the FCPF and presents early ideas for how it might organize itself to get ready for REDD+. The R-PIN is formulated by the country without financial or technical support from the FCPF. Based on this R-PIN, the REDD Country is selected into the FCPF. It may then decide to formulate a Readiness Preparation Proposal (R-PP), possibly with assistance from the FCPF, including a grant of up to \$200,000 (which is referred to as the "R-PP Formulation Installment), considered as seed money for formulating the R-PP. If the country formulates an R-PP, it may submit it to the PC for review and assessment and move to the Readiness Preparation phase: and
- b. The Readiness Preparation phase is when the analytical and early planning work provided for in the R-PP is realized. The balance of approximately \$3.4 million in FCPF grant funding is made available to carry out the Readiness Preparation activities laid out in the R-PP. During this phase, the REDD Country must submit a Readiness progress report to the PC on R-PP activities undertaken, which is also reviewed by the Bank, and this phase concludes with the review and assessment of the Readiness Package (R-Package),<sup>5</sup> or a submission of a country's completion report for those countries not preparing an R-Package.

9. Whereas the FCPF Participants Committee (PC) decides to allocate funds from the FCPF to a REDD Country Participant, based on the Country's R-PP, it is the DP that decides whether it will sign a Readiness Preparation grant agreement that channels those Readiness Preparation funds to the REDD Country. For this purpose, each DP prepares the assessment documents described below.

10. The R-PP Assessment Note summarizes the main aspects of the FCPF-financed portion of the R-PP; assessments of technical, financial management, procurement, social and environmental capacity; compliance with the applicable safeguard policies; and risks.<sup>6</sup> Based on the R-PP Assessment Note, the DP decides whether to proceed with signing the Readiness Preparation grant agreement. In compliance with the FCPF Guidance on Disclosure of Information, the DP prepares and discloses an initial environmental and social safeguards assessment, which draws the environmental and social safeguards profile of the proposed readiness activity and a readiness activity profile. The R-PP Assessment Note (minus the risk assessment) is disclosed after signature of the Readiness Preparation grant agreement.

11. Throughout the implementation of the FCPF Readiness Preparation phase, the DP supervises the continued compliance of the REDD+ readiness activity. The Readiness Preparation grant agreement shall

<sup>5</sup> The R-Package is a package of activities which builds on the R-PP and is designed to support a REDD Country Participant's capacity to participate in possible future systems of positive incentives for REDD+.

<sup>6</sup> The R-PP Assessment Note can be accessed at:

[http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2011/FCPF\\_R-PP\\_Assessment\\_Note\\_PCN\\_05-27-11.pdf](http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2011/FCPF_R-PP_Assessment_Note_PCN_05-27-11.pdf).

contain remedies available in case conditions set forth in the requirements of that document are not met. The DP produces periodic monitoring reports at least once per fiscal year, and makes them publicly available along with annual audited financial reports, or the equivalent thereof, for each project being implemented. At mid-term, the REDD Country Participant prepares and presents to the PC a progress report that includes a review of its compliance with the Common Approach. The DP reviews the country progress report and the documentation available on the readiness process and prepares its own assessment, including compliance with the DP's social and environmental safeguard policies and the Common Approach. The DP discloses the progress report and its assessment in compliance with the FCPF Guidance on Disclosure of Information, and may update the safeguards and activity profiles, in which case these updated documents are also disclosed.

12. When the FCPF Readiness Preparation grant is fully disbursed, the DP files a completion report to report on Readiness Preparation progress and grant completion, including on compliance with the Common Approach. The completion report is disclosed, in compliance with the FCPF Guidance on Disclosure of Information.

13. If the Country expresses interest in obtaining PC endorsement of its R-Package, the PC considers the R-Package, its review by an ad hoc Technical Advisory Panel (TAP), the DP's updated monitoring report, or completion report if available, and/or other sources, as appropriate, including for those REDD Country Participants that are not supported by a DP, to form an opinion about the Country's progress towards REDD+ readiness and compliance of the activities funded by the FCPF grant with the applicable policies and procedures (including safeguards) of the DP and the Common Approach, the risks involved, and other factors as necessary.

### III. Environmental and Social Safeguards in the FCPF Readiness Fund

14. In the context of the FCPF Readiness Fund, the most relevant safeguards<sup>7</sup> and the overarching objective that DPs will achieve for each of the relevant safeguard topics are the following:

- a. **Environmental Assessment:** To help ensure the environmental and social soundness and sustainability of investment projects/strategies and to support integration of environmental and social aspects of projects/strategies into the decision-making process;
- b. **Natural Habitats:** To promote environmentally sustainable development by supporting the protection, conservation, maintenance, and rehabilitation of natural habitats and their functions;
- c. **Forests:** To realize the potential of forests to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, and protect the vital local and global environmental services and values of forests;
- d. **Involuntary Resettlement:** To avoid or minimize involuntary resettlement and, where this is not feasible, to assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of projects/ strategy implementation, whichever is higher;
- e. **Indigenous Peoples:** To design and implement projects/strategies with the full and effective participation of Indigenous Peoples in a way that fosters full respect for Indigenous Peoples'

---

<sup>7</sup> The WB safeguards can be accessed at <http://go.worldbank.org/WTA1ODE7T0>; the IDB safeguards are accessible at <http://www.iadb.org/index.cfm?lang=en>; the UNDP documents will be available at [http://www.unredd.net/index.php?option=com\\_docman&task=cat\\_view&gid=1030&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=cat_view&gid=1030&Itemid=53).

dignity, human rights, traditional knowledge, and cultural uniqueness and diversity and so that they: (i) receive culturally compatible social and economic benefits; and (ii) do not suffer adverse effects during the development process; and

- f. **Physical and Cultural Resources:** To assist in preserving physical cultural resources and avoiding their destruction or damage. PCR includes resources of archaeological, paleontological, historical, architectural, religious (including graveyards and burial sites), aesthetic, or other cultural significance.

#### **IV. Strategic Environmental and Social Assessments (SESAs) and Environmental and Social Management Frameworks (ESMFs)**

15. The safeguard policies of the DPs that are multilateral investment bank were largely written with investment projects in mind and, in the case of all DPs including those DPs that are part of the United Nations, they serve to support the overarching mission of each organization. However, REDD+ readiness activities in the FCPF context entail no investment projects on the ground. They mostly consist of strategic planning and preparation. Nonetheless, these strategic activities have potentially far-reaching impacts – hopefully positive – but, unless properly addressed, possibly negative (e.g., the definition of rights to forest carbon or the design of benefit-sharing mechanisms). The following paragraphs clarify how the DPs will apply their environmental and social safeguards to REDD+ readiness activities from the time the DP signs the grant agreement that channels \$3.4-3.6 million to a REDD Country for Readiness Preparation.

16. The basic approach is to seek to ensure that environmental and social concerns are integrated into the national REDD+ strategy process and that the FCPF readiness activities comply with applicable safeguards is to utilize a Strategic Environmental and Social Assessment (SESA).<sup>8,9</sup>

---

<sup>8</sup> The WB's OP4.01 version of February 2011 explicitly refers to SESAs and ESMFs (see <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPMANUAL/0,,contentMDK:20064724~menuPK:64701637~pagePK:64709096~piPK:64709108~theSitePK:502184,00.html>). IDB's OP-703 applies to all types of operations and contemplates the use of SESA. UNDP's draft environmental and screening and assessment procedure is not limited to investment projects and includes SESA/SEA for strategic and programmatic projects.

<sup>9</sup> The SESA is in line with the guidance on strategic environmental assessment for development cooperation prepared by the OECD Development Assistance Committee in response to the call for harmonization of the Paris Declaration on Aid Effectiveness. See the 2005 Paris Declaration on Aid Effectiveness at <http://www.oecd.org/dataoecd/11/41/34428351.pdf>. Paragraph 41 includes the reference to the commitment of donors and partner countries to “develop and apply common approaches for “strategic environmental assessment” at the sector and national levels.” Also see the OECD Development Assistance Committee's good practice guidance on Applying Strategic Environmental Assessment (SEA) at <http://www.oecd.org/dataoecd/4/21/37353858.pdf>. The SESA approach is also in line with the recommendation of the 2007 Mid-Term Review of WB's Forest Strategy that strategic assessment ought to be used to mainstream safeguards into forest sector work. The WB's Board of Executive Directors endorsed the SESA approach in March 2011. More information on SESAs is available at <http://go.worldbank.org/XIVZ1WF880>. Another useful resource is the WB's Forests Sourcebook (2008), which delves into issues relevant to SESAs in the forest sector and is available at <http://worldbank.org/forestssourcebook>. To help draw attention to the use of SESA as an environmental assessment instrument used in the context of REDD+ readiness (or various strategic activities other than REDD+ readiness) and so as to better reflect internationally accepted practice, the WB has inserted explicit references to SESAs and ESMFs in its OP 4.01 on Environmental Assessment. IDB's OP-703 Directive B.5 already provides for the use of SEAs (or SESAs) to integrate environmental and social consideration in decision-making and management of policies, plans and programs and its Environment and Safeguards Unit is in the process of developing specific guidance in this respect.



17. Readiness for REDD+ is the phase when the Country formulates its strategies/policies and prepares investments. It is therefore the appropriate moment for the Country to assess the broader strategic environmental and social impacts, including potential cumulative impacts, which may ensue from future REDD+ activities or projects, and to develop sound environmental and social policies and the necessary safeguards instruments that will apply to subsequent REDD+ investments and carbon finance transactions.

18. The strategic, national and multi-sectoral nature of REDD+ readiness activities requires a strategic approach to risk management. Indigenous Peoples' rights, land tenure, public participation, and the sharing of benefits are some of the main challenges. Policy discussions related to REDD+ deal with land administration, nationwide land use planning, forest management, extractive industries, and infrastructure, among other sectors. Standard project-level environmental and social impact assessment is not appropriate at this strategic, countrywide, multi-sectoral level. In keeping with accepted instruments and practices in the field of environmental assessment, REDD Country Participants will undertake a SESA and produce a stand-alone Environmental and Social Management Framework (ESMF) as an integral part of the REDD+ Readiness Preparation process.

19. The strength of a SESA for REDD+ is that it combines analytical work and consultation in an iterative fashion to inform the preparation of the REDD+ strategy. The SESA helps to ensure compliance with the applicable safeguards by integrating key environmental and social considerations relevant to REDD+, including all those covered by the applicable safeguards, at the earliest stage of decision making. The SESA helps Countries formulate their REDD+ strategy in a way that reflects inputs from key stakeholder groups and addresses the main environmental and social issues identified. The SESA includes an ESMF as a distinct output, which provides a framework for managing and mitigating the potential environmental and social impacts and risks related to policy changes, investments and carbon finance transactions in the context of the future implementation of REDD+.<sup>10</sup>

20. As part of the SESA, the Country is expected to:

- a. Build on existing or undertake new diagnostic work to identify and prioritize the drivers of deforestation and the key social and environmental issues associated with the drivers, including those issues linked to the applicable safeguards. Diagnostic work covers, *inter alia*, issues such as land tenure, sharing of benefits, access to resources, and the likely social and environmental impacts of REDD+ strategy options;
- b. Undertake diagnostic work on legal, policy and institutional aspects of REDD+ readiness;
- c. Assess existing capacities and gaps to address the environmental and social issues identified;
- d. Draft REDD+ strategy options taking into consideration the above issues;
- e. Develop frameworks to mitigate and manage the risks of the REDD+ strategy options, including future, yet unidentified, REDD+ investments, to be included in an ESMF; and
- f. Establish outreach, communication and consultative mechanisms with relevant stakeholders for each of the above steps. The consultations for the SESA should be integral to, and not duplicate, the consultations for REDD+ readiness. The Country's consultation plan therefore includes, among others, the consultations on social and environmental considerations.

---

based on the OECD approach. UNDP's draft environmental and social assessment guidance also includes specific SEA guidance and is based on the OECD approach.

<sup>10</sup> The SESA and ESMF are further described in Annexes C and D of the R-PP template. Version 5 of the R-PP template is available at [www.forestcarbonpartnership.org](http://www.forestcarbonpartnership.org).

21. At the time that a Country is formulating its R-PP, it needs to decide on the arrangements for the management and coordination of REDD+ readiness activities. This requires the carrying out of a stakeholder mapping exercise as one of the earliest activities required by the SESA, so that interested civil society organizations and potentially affected stakeholders can be involved in these discussions, as well as in the arrangements that are ultimately devised. If national-level mechanisms such as REDD+ committees or working groups have been established to discuss broader national low-carbon strategies or climate-friendly national development plans, these can often serve as suitable platforms for engaging a range of stakeholders in an up-front and meaningful way. They can also help to provide an institutional framework for the organization of initial meetings or workshops for sharing information with, and soliciting feedback from, key stakeholders with respect to:

- a. the underlying causes and environmental and social impacts of deforestation and forest degradation;
- b. the development of the various components of the R-PP, especially that on the REDD+ strategy options; and
- c. the structuring of the Consultation and Participation Plan for the overall REDD+ readiness preparation process.

22. After the PC has assessed the R-PP and authorized Readiness Preparation activities but before the grant agreement to authorize Readiness Preparation activities is signed, there is an initial determination of which safeguard policies are triggered by the Country's overall REDD+ readiness program. This provides the basis for the preparation, at an appropriate time during the implementation of the R-PP, of the ESMF, which is designed to identify, avoid, minimize, mitigate, and/or compensate for the adverse effects of REDD+ policy changes and investments that might be undertaken in the future. Once the Readiness Preparation grant to support the implementation of the R-PP has been allocated, the Country engages in the analytical and consultative activities that are the hallmark of the full-fledged SESA process. This involves carrying out the necessary diagnostic work (assessments, studies) and engaging in consultative meetings and events (including at the village or community level) in relation to the issues outlined in steps Paragraph 20 (a)-(f) above. The overall goal of the process at this stage is to prioritize among REDD+ strategy options, with due attention to the social and environment risks and potential impacts identified, and to produce recommendations regarding existing legal, institutional, and regulatory arrangements and capacity gaps for managing these priorities.

23. The ESMF prepared as a result of the SESA will be a stand-alone document, to be produced as part of the R-Package or a country's completion report if the country is not preparing an R-Package. The ESMF's content will depend on the extent to which future REDD+ investments have been identified. If REDD+ investments are not yet clearly identified at the R-Package stage (or at the time of submission of country's completion report for those countries not preparing an R-Package), the ESMF produced could still be fairly general establishing principles and criteria for policy and program design and investment selection, while leaving more specific measures to be finalized once the investments are clearly identified. Conversely, if investments are already identified while the REDD Country is still preparing itself for REDD+, the ESMF made available should also include more developed management plans.

24. For the ESMF to ensure compliance with the applicable safeguards, it has to contain specific sections addressing the requirements of the applicable safeguards. These sections will draw on Country-specific information and take the form of free-standing chapters that would resemble the frameworks and plans provided for in the applicable safeguards themselves, namely, as relevant:

- a. Environmental and social assessment: An environmental and social management framework to address any potential environmental impacts and risks, including cumulative and/or indirect impacts of multiple activities;

- b. **Indigenous peoples:** An indigenous peoples planning framework to address any effects on indigenous peoples;
- c. **Involuntary resettlement:** A restriction of access framework to address any potential land acquisition and/or physical relocation, loss of livelihoods or restriction or loss of access to natural resources, including legally designated parks and protected areas; and
- d. **Stakeholder engagement and dispute resolution:** A stakeholder engagement and grievance resolution framework to ensure ongoing communication with stakeholders, good faith consideration of their concerns and mechanisms to resolve any grievances in accordance with the FCPF requirements for Stakeholder Engagement as outlined in Section V below.

25. The ESMF will be developed in a manner that is fully integrated with ongoing consultation processes in the REDD Country and will identify any additional consultations and field work needed. If a specific REDD+ investment in the future triggers the applicable safeguard, the Country is expected to implement the provisions of the corresponding chapter(s) of the ESMF. Consultations should extend from the national level to the lowest level (e.g., district) where site-specific project(s) and activity(-ies), if any, will be proposed, approved, and then implemented.

## V. Stakeholder Engagement in REDD+ Readiness

26. REDD+ has the potential to deliver significant benefits to indigenous peoples and other forest-dependent communities, including the sustainable management of biodiversity, the provision of alternative livelihoods, equitable benefit sharing of revenues generated from emission reductions, etc. However, if not done appropriately, it also presents serious risks to livelihoods, security to land tenure, forest governance, culture, biodiversity, etc. For REDD+ programs to succeed in the long term, these risks have to be identified, reduced and mitigated, and stakeholders have to be involved at the formulation and implementation stages. Stakeholders are defined as those groups that have a stake/interest/right in the forest and those that will be affected either negatively or positively by REDD+ activities. They include relevant government agencies, formal and informal forest users, private sector entities, indigenous peoples and other forest-dependent communities.

27. The UN-REDD Programme Team and FCPF Facility Management Team have drafted guidelines applicable to the key elements of effective stakeholder engagement in the context of REDD+. <sup>11</sup> As per Paragraph 3 above, under this Common Approach all DPs shall treat these guidelines as FCPF requirements. Furthermore, if the standard for stakeholder engagement applied by the DP is higher and/or protective than those of the WB, the DP shall apply its own standard to activities undertaken under the FCPF Readiness Fund.

28. The Stakeholder Guidelines outline principles for effective participation and consultation, operational guidelines, and practical “how-to” guidance on planning and implementing consultations and are underpinned by the following principles:

- a. Consultations should be premised on transparency and facilitate access to information;
- b. The consultation process should include a broad range of relevant stakeholders at the national and local levels;
- c. Consultations should start prior to the design phase, and be applied at every stage of the REDD+ process;

<sup>11</sup> The draft FCPF/UN-REDD Guidelines on Stakeholder Engagement in REDD+ Readiness are available at: <http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Nov2010/FCPF%20UN-REDD%20Stakeholder%20Guidelines%20Note%20Draft%2011-17-10.pdf> and presented in Attachment 2.

- d. Consultations should facilitate dialogue and exchange of information, and consensus building reflecting broad community support should emerge from consultation;
- e. Mechanisms for grievance, conflict resolution and redress must be established and accessible during the consultation process and throughout the readiness process and the implementation of REDD+ policies and measures;
- f. The diversity of stakeholders needs to be recognized and the voices of vulnerable groups must be heard;
- g. Special emphasis should be given to the issues of land tenure, resource use rights, customary rights, and property rights; and
- h. There should be records of consultations and a report on the outcome of the consultations that is publicly disclosed in a culturally appropriate form, including language.

## VI. Disclosure of Information

31. Access to information is particularly important in the case of REDD+ readiness, given the relative novelty of the agenda, the complexity of some of the issues, and the potential impacts of some of the decisions that have to be made. FCPF Readiness Fund activities should be undertaken based on adequate information, which requires timeliness, quality, format that is culturally-appropriate and publicity. Without such information, effective consultations cannot be conducted and the right decisions cannot be made.

32. For the Common Approach, all DPs shall comply with the FCPF Guidance on Disclosure of Information which is presented in Attachment 3. In addition, all of the information generated by FCPF grants, including information regarding social and environmental risks and safeguards that is not covered by one or more of the exceptions under the DP's policy on access to information, or is not restricted from public access by the DP's exercise of prerogative to restrict (i.e., there are exceptional circumstances and disclosure is likely to cause harm that outweighs the benefits of disclosure), shall be either routinely disclosed or made publicly available upon request. The FCPF routinely discloses a wide range of documents through its external website as soon as the documents are finalized after key process milestones.

## VII. Grievance and Accountability<sup>12</sup>

33. The Guidelines on Stakeholder Engagement in REDD+ Readiness, which are annexed to the R-PP template, require REDD Country Participants to establish mechanisms for grievance and accountability, and to make them accessible during the consultation process and throughout the implementation of REDD+ policies and measures. DPs shall assist REDD Country Participants to develop, utilize, and institutionalize effective in-country grievance and accountability mechanisms in accordance with the FCPF Guidelines for Establishing Grievance and Redress Mechanisms at the Country Level as set forth in Attachment 4.

34. Each DP shall have accountability measures available for FCPF Preparation Readiness grant agreements that are designed at a minimum to address breaches of the DP's policies and procedures and

---

<sup>12</sup> "Grievance mechanism" means the mechanism(s) established by the Country or by the DP in order to address grievances of people alleging an adverse effect related to the implementation of the readiness grant. "Accountability mechanism" means the independent mechanism established by the DP to address eligible claims that the DP's alleged failure to comply with its policies and procedures or the Common Approach has been or is likely to be the direct cause of harm to the claimant(s).

are not intended to substitute for the country-level accountability, dispute resolution and redress mechanisms.

35. The DP shall make available on the FCPF website a list of the staff in charge of supporting or supervising each R-PP, or other contact information for responding to complaints regarding administration of the grant. These contact people or appropriate other DP staff shall be tasked with initially evaluating complaints, timely responding to them, and seeking their early resolution of complaints about safeguard issues related to implementation of the FCPF Readiness Preparation grant agreements.

36. For FCPF Readiness Preparation grant agreements, the DP shall have an accountability mechanism that is independent, transparent, effective, accessible to affected people, and available to respond to/address claims related to the Common Approach ("Accountability Mechanism") or its implementation. DPs that have such a mechanism will take the necessary measures, if any, to make it available with respect to the Common Approach and projects implemented under it. DPs that do not have such a mechanism available for FCPF Readiness Preparation grant agreements shall commit to provide one in the future, and report on the timetable and progress to the PC. For those DPs that currently do not have such a mechanism available for FCPF Readiness Preparation grant agreements, while the Accountability Mechanism is being created, the DP shall have an independent safeguard expert or consultant available to receive and provide expert guidance on eligible complaints related to safeguards and the Common Approach. Notwithstanding, before engaging an independent consultant, the DP shall undertake appropriate efforts to resolve the complaint using any other existing instruments and mechanisms.

## Abbreviations

ARR	Annual Review Report (UNDP)
BP	Bank Procedure (WB)
DP	Delivery Partner
EEG	Environment and Energy Group (UNDP)
EIA	Environmental Impact Assessment
ERPA	Emission Reductions Payment Agreement
ESA	Environmental and Social Assessment (UNDP)
ESMF	Environmental and Social Management Framework
ESS	Environment and Social Strategy (IDB)
FCPF	Forest Carbon Partnership Facility
FMT	Facility Management Team
GRM	Grant Reporting and Monitoring (WB)
ICIM	Independent Consultation and Investigation Mechanism (IDB)
IDB	Inter-American Development Bank
ISDS	Integrated Safeguards Data Sheet (WB)
LEG	Legal department (IDB and WB)
OECD	Organization for Economic Cooperation and Development
OP	Operational Policy (WB)
ORAF	Operational Risk Assessment Framework (ORAF)
PC	Participants Committee
PD	Project Document (UNDP)
PCR	Project Completion Report (IDB)
PIC	Public Information Center (IDB)
PID	Project Information Document (WB)
POPP	Programming and Operations Policies and Procedures (UNDP)
PTL	Project Team Leader (IDB)
PP	Project Profile (IDB)
PR	Project Report (IDB)
REDD+	Reducing Emissions from Deforestation, Forest Degradation, Conservation of Forest Carbon Stocks, Sustainable Management of Forest, and Enhancement of Forest Carbon Stocks
R-Package	Readiness Package
R-PIN	Readiness Preparation Idea Note
R-PP	Readiness Preparation Proposal
SEA	Strategic Environmental Assessment
SESA	Strategic Environmental and Social Assessment
TA	Transfer Agreement
TAP	(Ad hoc) Technical Advisory Panel
TCA	Technical Cooperation Agreement (IDB)
TCP	Technical Cooperation Profile (IDB)
ToR	Terms of Reference
TTL	Task Team Leader (WB)
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
WB	World Bank

## Crosswalk Table of Terminology Used by WB, IDB and UNDP

WB	IDB	UNDP
Audited Financial Report	Project Audit Financial Report (Audit of Executing Agency)  Audited Financial Statements	Certified Financial Statement
FCPF Readiness Preparation Grant Agreement	(FCPF Readiness Preparation) Technical Cooperation Agreement (TCA)	(FCPF Readiness Preparation) Project Document (PD)
Grant Reporting and Monitoring (GRM) report	Project Monitoring Report (PMR)	Annual Review Report (ARR)
Integrated Safeguards Data Sheet (ISDS)	Technical Cooperation Profile (TCP)	Adapted Project Information Document (PID) or UN-REDD Submission Form <i>(to be determined, but will include all required information)</i>
Mission Aide Memoire	Back to Office report/Aide Memoire/Mission Report	Mission Report
Operational Risk Assessment Framework (ORAF)	Risk Matrix	Risk and Issues Log
Project Information Document (PID)	Technical Cooperation Profile (PP)/Plan of Operations	Adapted PID or Adapted UN-REDD Submission Form <i>(to be determined)</i>
R-PP Formulation Grant Agreement (\$200,000)	(R-PP Formulation) Technical Cooperation Agreement (TCA)	(R-PP Formulation) Project Document (PD)
Supervision	Supervision	Quality Assurance
Task Team Leader	Project Team Leader	UNDP Country Office, supported by Regional Technical Advisor

## **Attachments**

### **Attachment 1: Guidelines and Generic Terms of Reference for SESAs and ESMFs**

See [separate document](#)

### **Attachment 2: Guidelines for Stakeholder Engagement in REDD+ Readiness**

See [separate document](#)

### **Attachment 3: Guidance on Disclosure of Information**

See [separate document](#)

### **Attachment 4: Guidelines for Establishing Grievance and Redress Mechanisms at the Country Level**

See [separate document](#)



**FCPF Readiness Fund: Guidelines and Generic Terms of Reference for  
SESAs and ESMF**

*(Annexes to the R-PP v. 6 draft Revised (April 20, 2012))*

**Annex C: Guidelines for the Development of ToRs for the ESMF****GUIDELINES FOR THE DEVELOPMENT OF TERMS OF REFERENCE (ToRs) FOR AN  
ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)  
IN THE CONTEXT OF THE  
REDD-PLUS READINESS PREPARATION PROCESS SUPPORTED BY THE FCPF**

This document provides guidelines on the preparation of Terms of Reference (ToRs) for an Environmental and Social Management Framework (ESMF) during an FCPF-supported REDD-Plus Readiness Preparation process. The resulting ToRs will, in turn, guide the preparation of an ESMF in relation to the specific Bank safeguard policies that are triggered by the REDD country's emerging REDD-plus strategy. The ESMF is prepared for application during the implementation phase of REDD+, as part of the implementation of the REDD-Plus strategy formulated during Readiness. Each ESMF prepared will take on a different form depending on the safeguard policies that apply and the particular country circumstances involved. Dissemination of this initial guidance on preparing the ESMF will be followed by the dissemination of sample ESMFs, which can loosely serve as models of the final documents REDD countries will have to produce.

Guidance provided for component 2d. of the R-PP template mentions that the ESMF should be prepared as a stand-alone document "as early as possible" in the REDD-Plus Readiness Preparation phase. However, note that if an ESMF is prepared too far upstream, especially in cases where the REDD country is interested only in pursuing legal/regulatory, policy and/or institutional reforms rather than discrete activities having site-specific impacts, then the resulting Framework might not provide a suitable basis for public consultations. In fact, attempts to consult on such a Framework too far upstream under these circumstances could prove misleading for the public. Therefore, these Guidelines assume that preparation of the initial draft of the ESMF "as early as possible" means that said preparation will take place during the Readiness Preparation phase but only after decisions stemming from an inclusive public dialogue are taken, and the country's REDD-plus strategy begins to take concrete shape on the basis of these decisions.

All other provisions in section 2d. of the R-PP template are assumed to remain the same. For example, there would still be an initial draft ESMF, as well as an "advanced" or final draft of the Framework that becomes part of the country's Readiness Package (R-Package) and completion report (or just the completion report if a country is not preparing an R-package). Both the initial and advanced draft versions of the ESMF are publicly disclosed.

Before the ESMF is disseminated to the public for the first time, it should contain 1) relevant information for stakeholders regarding risks and potential impacts that could affect them as a

result of the implementation of the emerging REDD-Plus strategy; and 2) useful descriptions of principles to be adopted and procedures to be followed by the lead agencies to comply with the relevant safeguards, based on an assessment of how the Delivery Partner (DP) in the lead in the country has achieved substantial equivalence to the material elements of the applicable World Bank safeguard policies, as provided for under the FCPF Common Approach.

These Guidelines assume that facilitation of workshops organized to consult on the initial draft of the ESMF will be the responsibility of those managing the overall stakeholder engagement process, with the consultants for ESMF preparation taking account of the outputs of these workshops when updating the Framework. Finally, it should be noted that the Guidelines may need to be revised to take account of relevant decisions that emerge from the ongoing REDD-Plus negotiations within the UNFCCC regime.

## **GUIDELINES FOR THE DEVELOPMENT OF TERMS OF REFERENCE (TORs) FOR AN ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)**

### **I. INTRODUCTORY SECTION**

Overall this section should state the purpose of the ToR and describe the context for the development of the ESMF, outline the general principles and specific objectives of the ESMF, and explain the institutional arrangements for preparing the ESMF.

#### **1. Background Information**

This sub-section should provide pertinent background for preparing the ESMF, relating its preparation to the other activities underway as part of the REDD-plus Readiness process in the country in question. This would include a brief history of this process, a description of activities to be funded by the FCPF, the interactions between/among the various implementing entities involved, and a description of:

- The main risks to the natural environment or to human communities associated with the pursuit of different REDD-plus strategy options; and
- The list of relevant safeguard policies that apply. In cases where the World Bank is the lead DP, this reflects the confirmation of the initial determination of the policy triggers that was made during the R-PP Formulation phase.

#### **2. Principles and Objectives**

This sub-section should describe the general principles upon which the ESMF is based, as well as its specific objectives, taking into account the following points:

- The SESA ensures compliance with relevant safeguards during both formulation and implementation of the R-PP. The ESMF is an output of SESA. It provides for an examination of the risks and potential impacts associated with one or more project(s), activity(-ies), or policy(-ies)/regulation(s) that may occur in the future as part of the

implementation of the REDD-plus strategy designed during the readiness preparation phase. The ESMF sets out the principles, guidelines, and procedures to assess environmental and social risks, and proposes measures to reduce, mitigate, and/or offset potential adverse environmental and social impacts and enhance positive impacts and opportunities of said project(s), activity(-ies), or policy(-ies) /regulation(s).

- The ESMF provides procedures for: (i) consultations with concerned stakeholder groups; (ii) institutional capacity building; (iii) environmental and social impact screening, assessment, and monitoring; and (iv) grievance redress. The ESMF also specifies the inter-institutional arrangements for the preparation of time-bound action plans for managing and mitigating adverse impacts related to the future project(s), activity(-ies), or policy(-ies)/regulation(s).
- By doing the above, the output is an ESMF that is compliant with applicable safeguard policies at the time of the assessment of the R-Package (or submission of the country's completion report for those countries not preparing an R-Package), while also providing the overall framework for addressing social and environmental risk management issues in REDD-plus activities that are implemented beyond the readiness preparatory work.

## II. MIDDLE SECTION

Overall this section should describe the tasks needed to prepare the ESMF in (i) initial draft form; and (ii) final draft form.

### 3. Scope of Work

The ToR should make clear that preparation of an initial draft ESMF suitable for disclosure and public consultations would involve the following minimum tasks:

- a) A description of the **indicative REDD-plus strategy**, its main social and environmental considerations, and the various risks involved in its implementation, drawing from information available from the assessment described in section 2b. of the R-PP template;
- b) An outline of the **legislative, regulatory, and policy regime** (in relation to forest resources management, land use, indigenous rights, etc.) that the strategy will be implemented within, drawing from the information available from the assessment described in section 2a. of the R-PP template, with a focus on any reforms to this regime that are proposed as part of the strategy's implementation;
- c) A description of the **potential future impacts**, both positive and negative, deriving from the project(s), activity(-ies), or policy(-ies)/regulation(s) associated with the implementation of the emerging strategy, and the geographic/spatial distribution of these impacts;
- d) A description of the **arrangements for implementing the specific project(s), activity(-ies), or policy(-ies)/regulation(s)** that are finally decided on, with a focus on the procedures for (i) screening and assessment of site-specific environmental and social impacts; (ii) the preparation of time-bound action plans for reducing, mitigating, and/or offsetting any adverse impacts; (iii) the monitoring of the implementation of the action plans, including arrangements for public participation in such monitoring.

- e) An analysis of the particular **institutional needs within the REDD+ implementation framework for application of the ESMF**. This should include a review of the authority and capability of institutions at different administrative levels (e.g. local, district, provincial/regional, and national), and their capacity to manage and monitor ESMF implementation. The analysis should draw mainly from section 2c. of the R-PP template and may extend to proposed laws and regulations, new agencies or agency functions, staffing needs, inter-sectoral arrangements, management procedures, operation and maintenance arrangements, budgeting, and financial support.
- f) An outline of recommended **capacity building actions** for the entities responsible for implementing the ESMF.
- g) Requirements for **technical assistance** to public- and private-sector institutions, communities, and service providers to support implementation of the ESMF.
- h) A description of applicable **grievance redress mechanisms**.
- i) An outline of the **budget** for implementing the ESMF.

This sub-section should also make clear that preparation of a final draft ESMF would have to contain specific sections addressing the requirements of the lead DP's applicable safeguard policies. These sections would draw on country-specific information generated by steps a)-d) above in taking the form of free-standing "chapters" within the ESMF that would resemble the frameworks provided for in the policies themselves, including as relevant:

- Environmental Management Framework (EMF) of World Bank or equivalent, to address any potential environmental impacts, including cumulative and/or indirect impacts of multiple activities;
- Resettlement Policy Framework/Process Framework of World Bank or equivalent, to address any potential land acquisition and/or physical relocation, loss of livelihoods or restriction of access to natural resources, including in legally designated parks and protected areas; and
- Indigenous Peoples Planning Framework (IPPF) of World Bank or equivalent, to address any effects on Indigenous Peoples.

Finally, this sub-section will indicate how public consultations on the ESMF will be integrated into ongoing consultation processes in the country (following section 1c. of the R-PP template), and identify any additional consultations and field work needed to prepare the ESMF. Consultations should extend from the national level to the lowest level (e.g. district) where site-specific project(s) and activity (-ies), if any, will be proposed, approved, and then implemented.

### III. ENDING SECTION

Overall this section should specify the conditions (relating to budget, timeframe, deliverables, etc.) under which the Consultant(s) selected will be expected to develop the ESMF.

#### 4. Schedule and Deliverables

The ToR should specify the consultancy deliverables (e.g. detailed workplan (if not already provided for in the SESA workplan), initial draft ESMF, final draft ESMF), the schedule for

delivery (e.g. detailed workplan within 2 weeks, initial draft ESMF within 2 months, and final draft ESMF within 6 months of contract signature), and the overall duration of the consultancy (e.g. 6 months from contract signature).

#### **5. Budget and Payments**

The ToR should indicate if there is a budget ceiling for the consultancy. It should also specify the payment schedule (e.g. 10% on contract signature, 10% on delivery of detailed workplan, 40% on delivery of initial draft ESMF, and 40% on delivery of final draft ESMF).

#### **6. Consultant Qualifications and Expected Level of Effort**

The ToR should convey that the ESMF preparation team will have to be capable of addressing all of the safeguard policies triggered by the project(s), activity(-ies), or policy (-ies)/regulation(s) that may occur in the future from the implementation of the emerging REDD-plus strategy, and of carrying out all the tasks outlined in the Scope of Work above. Where multiple safeguard policies need to be addressed in an ESMF for REDD-Plus readiness, the Framework would ideally be prepared by a multi-disciplinary team reflecting the necessary ecological and socio-cultural expertise. The ToR should furthermore state that the team will be expected to manage the preparation of both the overall ESMF and each of its separate sections or "chapters" (corresponding to the EMF, IPPF, etc.). This can be accomplished by calling for a Team Leader and Lead Specialists, with accompanying qualifications (training and experience) requirements.

The expected level of effort required for the preparation of the ESMF should be indicated in the ToR if it will not be specified in a formal request for proposals. The level of effort may be expressed as a total (e.g. 18 person months) or subdivided by team members or ESMF chapters.

#### **7. Services, Facilities, and Materials to be Provided**

The ToR should specify what services, facilities, and materials will be provided to the Consultant by the DP and the Participant Country. The ToR should also outline the actions to be taken by the Government to facilitate the work of the Consultant by providing access to government authorities, key stakeholders, and potential project sites.

#### **8. Other Information**

The ToR should include lists of complementary data sources, project background reports and studies, relevant publications, and other items to which the Consultant's attention should be directed.

## **Annex D: Summary of SESA Activities and Outcomes in the REDD-Plus Readiness Package/completion report**

*Note: This Annex provides an overview of how SESA outcomes and outputs, including the ESMF, will eventually be included in the Readiness Package/completion report. Accordingly, this Annex does not need to be prepared for submission as part of the R-PP.*

Countries receiving support of the FCPF for REDD-plus Readiness must comply with the Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners regarding the management of environmental and social issues and impacts. The main safeguard process to be applied is the Strategic Environmental and Social Assessment (SESA), which includes preparation of an Environmental and Social Management Framework (ESMF). Whereas preparation of the ESMF will result in a stand-alone document, other components of the SESA will be reflected in the preparation of the Readiness Package/completion report in an integrated way, mostly in the form of the final REDD-plus strategy and the documentation of the consultation and participation process carried out during the R-PP Formulation and Readiness Preparation stages.

This Annex provides guidelines on how a country eventually should produce a SESA Summary that satisfies this objective. This document should summarize in 10-15 pages the public consultation and participation processes in which the SESA was embedded, and the main findings and results of SESA. The Summary should refer to relevant sections of the Readiness Package/completion report where the elements of SESA are discussed in detail. The Summary must be included with the Readiness Package/completion report, but progress on elements of the work below will be reflected in the country progress reports to be submitted during Readiness Preparation.

Including references to relevant sections of the Readiness Package/completion report, the Summary should briefly discuss the following at a minimum:

- The institutional arrangements for coordinating the integration of environmental and social issues into the REDD-plus readiness process (refer to relevant sections of component 1a.).
- The safeguard policies triggered and the specific environmental and social studies or diagnostics carried out (refer to relevant sections of component 1a. and component 2b.).
- The key environmental and social issues (including in relation to gender and youth) associated with the drivers of deforestation and forest degradation (refer to relevant sections of component 2a.).
- The social and environmental priorities defined in relation to the drivers of deforestation and how these results fed into the refinement of the most promising responses to them in the form of REDD-plus strategy options (refer to relevant sections of component 2b. on enhancing preparation of the REDD-plus strategy and, as needed, of component 2c. on the design of a benefit sharing mechanism).
- The legal, regulatory, policy, institutional, and capacity recommendations to address gaps for managing the environmental and social priorities mentioned above.

- The results of the assessment of environmental and social risks and potential impacts (both positive and negative) of REDD-plus strategy options, and how the results of this assessment fed into the selection and formulation of the final REDD-plus strategy (refer to relevant sections of component 2b. on environmental and social safeguarding).
- A final or advanced draft ESMF as the framework for managing environmental and social risks and potential impacts during the implementation of the Readiness Package (or during the implementation of Readiness activities for those countries not preparing an R-Package), and a discussion of how the safeguards triggered during the Readiness Preparation phase have achieved substantial equivalence with the material elements of the Common Approach (refer to the stand-alone ESMF described in component 2d.).
- Description of activities relating to consultation, public participation, disclosure of information, and grievance redress.
  - For general procedures followed on consultations, public participation, disclosure of information, and grievance redress refer to relevant sections of components 1a and 1c.
  - For stakeholder analysis, awareness raising and initial vetting of environmental and social concerns refer to relevant sections of component 1b.
  - For participation of stakeholders including forest-dependent indigenous peoples, forest dwellers, forest-dependent local communities and civil society; for methods followed to ensure representative participation of stakeholders and neutral facilitation of consultations; for how the feedback from stakeholders was used; and for how stakeholders informed the implementation of SESA and the preparation of the ESMF refer to relevant sections of component 1c., 2b. and 2d.





**FCPF Readiness Fund: Guidelines on Stakeholder Engagement in REDD+ Readiness  
With a Focus on the Participation of Indigenous Peoples and Other Forest-Dependent Communities  
(March 25, 2012)**

*These Guidelines are designed to support effective stakeholder engagement in the context of REDD+ readiness for the Forest Carbon Partnership Facility and the UN-REDD Programme, with an emphasis on the participation of Indigenous Peoples and other Forest-Dependent Communities. The Guidelines contain 1) Relevant policies on indigenous peoples and other forest-dependent communities; 2) Principles and guidance for effective stakeholder engagement; and 3) Practical "how-to" steps on planning and implementing effective consultations.*

### **Introduction**

1. The Forest Carbon Partnership Facility (FCPF) and the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme) assist developing countries in their efforts to reduce emissions from deforestation and forest degradation (REDD+)<sup>1</sup> by building national capacity for REDD+ activities, and testing a program of performance-based incentive payments in certain pilot countries. The two programs are supporting a REDD+ readiness mechanism to assist countries to put in place a number of building blocks (measurement, reporting and verification systems; reference scenarios; a REDD+ strategy and national management arrangements for REDD+) that will enable them to participate in future systems of positive incentives for REDD+.
2. REDD+ has the potential to deliver several benefits to indigenous peoples and other forest-dependent communities, including the sustainable management of biodiversity, the provision of alternative livelihoods, equitable sharing of revenues generated from emissions reductions, etc. However, if not done appropriately, it also presents risks to rights, livelihoods, culture, biodiversity, etc. For REDD+ programs to succeed, these risks have to be identified, reduced and mitigated, and stakeholders have to be involved at the project/program formulation as well as the preparation and implementation stages in order to ensure that REDD+ programs respect indigenous peoples' rights and comply with relevant international obligations.
3. Stakeholders are defined as those groups that have a stake/interest/right in the forest and those that will be affected either negatively or positively by REDD+ activities. They include relevant government agencies, formal and informal forest users, private sector entities, indigenous peoples and other forest-dependent communities.
4. These Guidelines focus on a particular category of stakeholders, who are often legal and/or customary rights holders: indigenous peoples and other forest-dependent communities. These stakeholders are often not engaged in public decision-making processes, yet they both contribute to forest protection and depend on forests for their social and economic livelihoods as well as for cultural and spiritual well-being. As such they are often more vulnerable than other stakeholders in the context of formulation and implementation of REDD+ activities. Hence a clear commitment will have to be made to ensure that their rights are fully respected throughout the REDD+ program cycle. At the same time,

---

<sup>1</sup> REDD+ means reducing emissions from deforestation and forest degradation, sustainable management of forests, and conservation and enhancement of forest carbon stocks in developing countries.

indigenous peoples and other forest-dependent communities have a special role to play in REDD+ given their traditional knowledge of and relationship to the forest and their presence on the ground.

### **Relevant FCPF and UN-REDD Programme Policies on Indigenous Peoples and Other Forest-Dependent Communities**

5. Both the FCPF and UN-REDD Programme recognize the importance and special status of indigenous peoples in terms of their historical and cultural connection to forests and are committed to applying specific policies to safeguard their rights and interests. The UN Framework Convention on Climate Change (UNFCCC) Cancun Decision 1/CP.16 includes several safeguards that “should be promoted and supported”. Two of these safeguards provide, respectively, for (i) the “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” and (ii) for “the full and effective participation of relevant stakeholders, in particular, indigenous peoples and local communities” in REDD+. Both the UN-REDD Programme and the FCPF also recognize as part of their policies and procedures that for REDD+ to be implemented, participating countries should comply with applicable international obligations, treaties and national laws.

6. In the context of the UN-REDD Programme, stakeholder engagement practices should adhere to the requirements outlined in Annex 1. Additionally, countries are expected to adhere to standards outlined in key relevant international instruments<sup>2</sup>, and to uphold the principle of free, prior and informed consent (FPIC) as stated in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP).<sup>3</sup> It is critical for UN-REDD Programme countries to ensure that:

- a. Activities follow a human rights-based approach and adhere to the UNDRIP, UN Development Group Guidelines on Indigenous Peoples’ Issues, and International Labour Organization (ILO) Convention No. 169;
- b. FPIC is adhered to. FPIC is essential to ensure the full and effective participation of indigenous peoples in program activities and policy and decision-making processes. FPIC should be sought in accordance with the UN-REDD Programme Guidelines on FPIC (see Annex 2 for an overview of, and link to, these Guidelines) and when FPIC is a provision under national law or practice, that standard will also apply.

7. In the context of the FCPF, activities affecting indigenous peoples are governed by the Common Approach, including World Bank Operational Policies, in particular Operational Policy 4.10 (OP 4.10) on Indigenous Peoples (see Annex 3 for an overview of OP 4.10), which is one of the ten Safeguard Policies

---

<sup>2</sup>For the UN-REDD Programme, these international instruments include: UN Declaration of the Rights of Indigenous Peoples (UNDRIP); UN Common Understanding on the Human Rights Based Approach to Development Cooperation; UN General Assembly Programme of Action for the Second International Decade of the World’s Indigenous People (UN General Assembly Resolution 60/142); General Recommendation XXIII on the Rights of Indigenous Peoples, the UN Committee on the Elimination of Racial Discrimination; UN Development Group’s Guidelines on Indigenous Peoples’ Issues; the International Labour Organization’s Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries (1989); UN Framework Convention on Climate Change; UN Convention on Biological Diversity.

<sup>3</sup>The UN Declaration on the Rights of Indigenous Peoples, adopted by the 61<sup>st</sup> session of the United Nations General Assembly on September 13, 2007, can be accessed at <http://www.un.org/esa/socdev/unpfii/en/declaration.html>

of the World Bank<sup>4</sup>, and by the FCPF Charter. OP 4.10 aims to ensure that the development process fully respects the dignity, human rights, economies, and cultures of indigenous peoples. The policy specifies that the Bank provides financing only where free, prior, and informed consultation results in broad community support to the project by the affected indigenous peoples. The Bank's OP 4.10 is consistent with the Cancun Decision 1/CP.16, in particular its emphasis on respect for the knowledge and rights of indigenous peoples and on their full and effective participation. In addition, the Bank deems that OP 4.10 enables the Bank to operate in a manner that can be considered substantially equivalent to the principle of FPIC. Further, although OP 4.10 does not expressly mandate FPIC, if the country has ratified ILO Convention No.169 or adopted national legislation on FPIC, or if the Bank is working on a project with a development partner that expressly applies the principle of FPIC, the Bank will in turn support adherence to that principle. In any event, the Common Approach on Environmental and Social Safeguards for Multiple Delivery Partners provides that if an organization other than the World Bank (WB) is the Delivery Partner (DP) in the FCPF and "if the environmental and social safeguard policies and procedures of the DP are more stringent and/or protective than those of the WB, the DP shall apply its policies and procedures to activities".<sup>5</sup>

#### **Other Key FCPF and UN-REDD Programme Guidance Related to Stakeholder Engagement**

*This box presents other important guidance that should be observed in relation to stakeholder engagement in REDD+ for the FCPF and the UN-REDD Programme.*

The Readiness Preparation Proposal (R-PP) template contains specific guidelines to assist a REDD+ Country to organize itself to become ready for REDD+.<sup>6</sup> With respect to participation and consultation, the R-PP template provides specific guidelines on national readiness management arrangements and stakeholder consultation and participation. In countries using the R-PP template these Guidelines should be used in parallel with the guidelines presented in the R-PP template.

In the case of UN-REDD Programme partner countries or countries supported by any of the three UN partner agencies to the UN-REDD Programme (FAO, UNDP, UNEP), these consultation plans should include an additional component which outlines provisions for FPIC in accordance with the UN-REDD Programme Guidelines on FPIC (in Annex 2). The appropriate level of consultation will depend on the issue or activity being considered, the objectives and desired outcomes of the proposed consultation.

<sup>4</sup> The objective of these policies is to prevent and mitigate undue harm to people and the natural environment in the development process, as well as to provide benefits to different stakeholder groups. The effectiveness and development impact of projects and programs supported by the Bank has substantially increased as a result of safeguards application. Moreover, safeguard policies have often provided a platform for the participation of stakeholders in project design, and have provided the means for building ownership among indigenous peoples and local communities. The World Bank safeguard policies include Environmental Assessment (OP 4.01), Natural Habitats (OP 4.04), Forests (OP 4.36), Pest Management (OP 4.09), Dam Safety (OP 4.37), Physical Cultural Resources (OP 4.11), Involuntary Resettlement (OP 4.12), Indigenous Peoples (OP 4.10), International Waterways (OP 7.50), and Disputed Areas (OP 7.60). Detailed information is available at [www.worldbank.org/safeguards](http://www.worldbank.org/safeguards).

<sup>5</sup> The Common Approach is accessible at <http://www.forestcarbonpartnership.org/fcp/node/310>.

<sup>6</sup> The R-PP template is available in English, French and Spanish at [www.forestcarbonpartnership.org](http://www.forestcarbonpartnership.org).

In the case of the FCPF, the “Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners,” which was approved by the FCPF Participants Committee in June 2011, outlines, for the World Bank and other Delivery Partners (DPs), the consultation requirements that are at the center of the risk management approach for REDD+ Readiness preparation. Under terms to be specified in legally binding Transfer Agreements, DPs are required to achieve “substantial equivalence” to the pre-agreed “material elements” of the World Bank’s safeguard policies and procedures applicable to the FCPF Readiness Fund during the administration of the Readiness Preparation grant agreements.

As part of the Common Approach, the FCPF is using the Strategic Environmental and Social Assessment (SESA) to integrate key environmental and social considerations into REDD+ readiness by combining analytical and participatory approaches. The SESA allows: (i) social and environmental considerations to be integrated into the REDD+ Readiness process, in particular the REDD+ strategy; (ii) participation in identifying and prioritizing key issues, assessment of policy, institutional and capacity gaps to manage these priorities and recommendations, and disclosure of findings in the REDD+ country’s progress report on Readiness preparation; and (iii) an Environmental and Social Management Framework (ESMF) to be put in place to manage environmental and social risks and to mitigate potential adverse impacts (see Annex 4 for more details on the SESA and ESMF). The SESA guidelines have been integrated into the R-PP template.

The UN-REDD Programme’s draft Social and Environmental Principles and Criteria (SEPC) will provide a guiding framework for the UN-REDD Programme to address two specific needs: (i) Addressing social and environmental issues in UN-REDD National Programmes and other UN-REDD funded activities; and (ii) Supporting countries to develop national approaches to REDD+ safeguards in line with UNFCCC. The SEPC contain elements that support the application of these Guidelines as well as the UN-REDD Programme Guidelines on FPIC.

### **Principles and Guidance for Effective Stakeholder Engagement**

8. The common guiding principles for effective stakeholder engagement that underpin both the FCPF and UN-REDD Programme are provided below:

- a. The consultation process should include a broad range of relevant stakeholders at the national and local levels. The diversity of stakeholders needs to be recognized. In particular the voices of forest- dependent and vulnerable groups must be heard, whether they are indigenous or not. Different stakeholders have different stakes and/or interests in REDD+. Some may be positively impacted, others negatively.
- b. Consultations should be premised on transparency and timely access to information. In the context of REDD+, timely information dissemination at all levels and in a culturally appropriate manner is a pre-requisite to meaningful consultations. Stakeholders should have prior access to information on the proposed consultation activities. Sufficient time is needed to fully understand and incorporate concerns and recommendations of local communities in the design of consultation processes. Public awareness and information, education and communication campaigns are important vehicles for ensuring that stakeholders understand the objectives of REDD+, the related risks and opportunities and their potential role in the process, and can – if they decide to do so – make informed and substantive contributions to the formulation of REDD+ strategies and policies.
- c. Consultations should facilitate dialogue and exchange of information, and consensus building reflecting broad community support should emerge from consultation. The

consultation process should occur voluntarily. In the case of the UN-REDD Programme, consultations leading to giving or withholding consent should be carried out in accordance with the UN-REDD Programme Guidelines on FPIC (see Annex 2).

- d. Consultations with indigenous peoples must be carried out through their own existing processes, organizations and institutions, e.g., councils of elders, headmen and tribal leaders. Indigenous peoples should have the right to participate through representatives chosen by themselves in accordance with their own procedures and decision-making institutions (see Step #2 under the Practical Steps for Carrying out Effective Consultations section below for more details). It is also important to ensure that consultations are gender sensitive.
  - e. Special emphasis should be given to the issues of land tenure, resource-use rights and property rights because in many tropical forest countries these are unclear as indigenous peoples' customary/ancestral rights may not necessarily be codified in, or consistent with, national laws. Another important issue to consider for indigenous peoples and other forest dwellers is that of livelihoods. Thus clarifying and ensuring their rights to land and carbon assets, including community (collective) rights, in conjunction with the broader array of indigenous peoples' rights as defined in applicable international obligations, and introducing better access to and control over the resources will be critical priorities for REDD+ formulation and implementation.
  - f. Impartial, accessible and fair mechanisms for grievance, conflict resolution and redress must be established and accessible during the consultation process and throughout the implementation of REDD+ policies, measures and activities (please refer to the guidelines on feedback and redress mechanisms in component 1a of the R-PP template and Section 5 of the UN-REDD Programme Guidelines on FPIC, in Annex 2).
9. Guidance on stakeholder engagement for activities under the FCPF and UN-REDD Programme is presented below:
- g. Consultations should start prior to the design phase of the project/program, and be applied at every stage of the REDD+ process including planning, implementation, monitoring and reporting and with adequate lead time since decision-making among some local communities may take time and be iterative. A Consultation and Participation Plan should be developed for countries submitting R-PPs and/or UN-REDD National Programme Documents (see section 1c. of the R-PP Template). This should include an analysis of proposed REDD+ readiness activities to identify when consultations will be required, at what level these should be conducted, and who they should include. The Consultation and Participation Plan should be prepared with a realistic budget and financing plan and implemented by the National REDD+ Committee or the agency(ies) or committee(s) responsible for REDD+ policy design.
  - h. A national level workshop should be held to initiate the consultation and participation process. The workshop should include a broad range of local and national stakeholders. The goal of this workshop is to review and assess the content of the Consultation and Participation Plan (e.g., the list of issues to consult on and the means for doing so), which are not considered final until this workshop has taken place.
  - i. It is important that participatory structures and mechanisms exist to manage the agreed process outlined in the Consultation and Participation Plan. For example, national REDD+

committees should include representatives from relevant stakeholder groups, including indigenous peoples and civil society (see Annex 1 for UN-REDD Programme guidance on representation). In addition to the national level, participatory fora need to be established (or existing ones used) at the local level to ensure active engagement of local stakeholders, in accordance with the principles outlined above.

- j. Records of consultations and reports on the outcome of the consultations should be prepared and publicly disclosed in a culturally appropriate form, including in local languages. Consultation processes should clearly document how views gathered through the consultation process have been taken into account and, where they have not, explanations provided as to why.
- k. Prior to the development of a REDD+ program/activity, indigenous peoples living in voluntary isolation that may be affected should be identified in consultation with the relevant entities at the national, sub-national and/or local level to ensure that the program/activity is developed in a way that completely avoids contact with these communities.

10. Common elements apply to both the UN-REDD Programme and the FCPF when it comes to practical steps on how to conduct individual consultations under the Consultation and Participation Plan. The next section outlines these steps, which are also illustrated in Figure 1.

### **Practical Steps for Carrying out Effective Consultations**

#### ***1. Define the desired outcomes of consultations***

A good consultation and participation process is one that is carefully planned, has a clear mandate, and articulates the objectives and desired outcomes of the consultation. This should be placed in the context of overall REDD+ readiness, clarifying why the consultation was considered necessary, how it fits within the broader scope of planned activities, and how the outcomes will be used towards expected REDD+ readiness activities.

It should also be clear what degree of participation will be expected of the stakeholders, e.g., is it a one-way flow of information to keep actors informed and support transparency goals; a two-way consultation resulting in feedback and reactions that may be incorporated in formal outputs; or a joint decision-making consultation resulting in shared control over a decision-based outcome? If the consultation is part of a longer process or series of consultations, the same stakeholder representatives may need to be available to attend a number of consultations to ensure continuity and effective engagement. This should also be stated clearly as it may have an impact on how stakeholders will select participating representatives. This should all be understood and agreed upon by stakeholders in advance of the consultation to avoid misinformation and generating unrealistic expectations, and to ensure that trust is maintained.

#### ***2. Identify stakeholders***

The consultation planners need to identify the groups that have a stake/interest in the forest and those that will be affected by REDD+ activities. It is important to ensure that the process of selecting stakeholders is transparent so that all interested parties may participate and that all stakeholders are provided with equal opportunity to engage and contribute to outcomes. Particular attention needs to be

given to the inclusion of indigenous peoples and other forest-dependent communities, women and other marginalized groups. Stakeholder groups should be supported to self-select representatives where appropriate.

Identify civil society organizations (CSOs), community-based organizations (CBOs), indigenous peoples' organizations (IPOs), non-governmental organizations (NGOs), and institutions with extensive experience working with or representing indigenous peoples and/or forest-dependent communities and/or their issues, being mindful that these do not replace proper indigenous representation. Identify and consult with existing civil society participatory structures at the country level, for example: civil society and/or indigenous peoples' focal points; CSO Advisory Committees, the National Steering Committees of the Global Environment Facility Small Grants Programme; and/or National Forest Programmes. Verify that the appropriate stakeholders are being represented by consulting with a wide range of related organizations to ensure that a broad spectrum of views is considered.

Conduct a mapping of indigenous peoples' and other forest-dependent communities' organizations, authorities and institutions, including priority issues, rights, needs and desires. Issues of local ownership, demonstrated mandate, legitimacy as claimant, competence and expertise, and accountability will be significant features to consider. Indigenous organizations may represent diverse, overlapping and conflicting constituencies and interests. It is critical to identify the appropriate indigenous peoples' institutions to partner with. While traditional leaders are recognized as the higher authorities in their communities, representatives of indigenous peoples' organizations may have the skills and knowledge to interact with the technical process and may be able to articulate the views of traditional leaders. It is important to be open and inclusive to a wide range of indigenous peoples' organizations and community-based representatives and to be aware of tensions that may exist among various indigenous groups. The choice of partners should also take into account groups that are often marginalized within their own indigenous communities, in particular women and youth. Assess the situation to make the most appropriate choice and avoid misrepresentations, as formally approved organizations may not always be representative of the people at large.

The range of stakeholders involved in REDD+ readiness consultations may include, but are not limited to:

- *Indigenous peoples and other forest-dependent communities;*
- *Local communities, pastoralists, farmers who depend on forests for livelihoods;*
- *Civil society (NGOs, community associations, etc.);*
- *Vulnerable groups (women, youth, etc.);*
- *Government agencies (forests, environment, agriculture, energy, transportation, finance, planning, national, state, local, etc.);*
- *Environmental law enforcement agencies;*
- *Private sector (loggers, ranchers, energy producers, industry, farmers, agri-business etc.);*
- *Academia.*

### **3 Define the issues to consult on**

The key issues should broadly correspond to the R-PP components and/or the components of the UN-REDD National Programme Document. In the case of REDD+, issues for consultation may include (but are not limited to):

- *Current status of national forests;*

- *Institutional, policy and regulatory frameworks;*
- *Main causes and drivers of deforestation and forest degradation;*
- *Past and present policies to halt deforestation and forest degradation, where they have succeeded and where they have not;*
- *Rights and needs of indigenous peoples and other forest-dependent communities;*
- *Type and pattern of land use by indigenous peoples;*
- *Land rights (user and property rights, traditional, customary), and land tenure systems;*
- *Rights to carbon;*
- *Inclusive participation in the design and implementation of REDD+ strategy and development of procedures and enablers throughout the REDD+ cycle;*
- *Proposed REDD+ strategy;*
- *Design of benefit-sharing systems for equitable and effective distribution of REDD+ revenues;*
- *Economic, social and environmental impacts and risks of REDD+ and the mitigation and prevention of risks;*
- *Design of monitoring systems to keep track of forests and forest emissions as well as environmental and social co-benefits;*
- *Issues of forest governance and mechanisms to ensure full compliance with social and environmental safeguards, including during REDD+ strategy development;*
- *Opportunity costs of land use;*
- *Groups likely to gain or lose from REDD+ activities;*
- *Role of the private sector.*

#### **4. Define the terms of the consultation**

Ideally, any consultation should be guided by a clear elaboration of the process and elements of the consultation. All stakeholders should know how the consultation process will be conducted and how the outcomes of the consultation will be used, including the rights and responsibilities of the different stakeholders. These terms should be understood and agreed upon by all stakeholders and should include information on the following:

- **Timing** – a common understanding of timelines and deadlines should be reached, including the minimum amount of time required to: give advance notice of a planned consultation; carry out self-selection processes to identify suitable representatives (where appropriate); provide any required capacity building in advance of the consultation; and make available key documents that may need to be circulated and reviewed in advance of discussions.
- **Agenda and process for determining consultation outcomes** – the agenda of the consultation and how participating stakeholders will contribute to the desired outcomes of the consultation should be stated. If it is a decision-making consultation, it should be clarified how the decision will be reached (e.g., majority, consensus) and which participants have decision-making authority. If the consultation is to solicit opinions and views, clarify how these will be reviewed and incorporated



(e.g., whether participants will be able to comment on future drafts). Tensions may already exist or may arise between indigenous peoples and other forest-dependent communities vis-à-vis REDD+ activities. Bearing this in mind, it is recommended that decisions made among all interested stakeholders regarding who will organize or lead the consultative process take place with sufficient time.

- **Representation** – decide which stakeholder groups should be represented and the number of representatives that can be accommodated for the purposes of the consultation, noting that self-selection of representatives should be supported (where appropriate). Also clarify what the roles of different representatives are in the context of the consultation's desired outcome, e.g., if there is a decision-making process as part of the consultation, state which representatives have decision-making authority and which representatives may be acting in an observer capacity only.
- **Capacity building** – develop a shared understanding of capacity needs and steps that will be taken to build capacity in advance of the consultations.
- **Transparency on outcomes** – decide how the outcomes of the consultation will be documented and made publicly available (e.g., government websites, written press, national and community radio). Ensure the consultation includes a component for evaluation by the participants.

#### **5. Select the consultation and outreach methods**

The most effective consultations are custom-designed to place and purpose and provide for adequate budgets and human resources, including expert facilitation. A variety of stakeholder engagement methods can be used for consultations to allow for bottom-up participation and ensure that information is rigorously gathered and fairly presented, such as workshops, surveys, and focus groups.

The communication and outreach methods should ensure that adequate and timely information is provided to all stakeholders in an accessible language and style. As REDD+ involves complex, technical issues, information should be carefully synthesized to ensure that it is easily understood. Depending on the target audience and objectives of the consultation, various forms of communication media such as printed materials, electronic media, community radio, and local plays and drama can be used to disseminate information as widely as possible.

Identify facilitators with experience working with indigenous peoples and other forest-dependent communities and their issues. The use of indigenous and/or community co-facilitators, depending on the context of the consultation, is encouraged. Facilitators need to be trained in advance to ensure that they manage the consultation and record views appropriately.

The form and content of consultation may be designed in collaboration with indigenous peoples and other forest-dependent communities to ensure that these processes are appropriate and enough time is allocated to allow for proper consultation within the communities in accordance with their traditional decision-making processes.

#### **6. Ensure that stakeholders have sufficient capacity to engage fully and effectively in consultations**

Certain stakeholders may require capacity building or training in advance of a consultation to ensure that their understanding of the issues and ability to contribute are sufficient; this need should be identified in the terms of the consultation (step #4 above). The awareness and capacity of Indigenous

peoples and forest-dependent communities to engage with REDD+ discussions should be assessed with the use of questionnaires, surveys, focus group discussions, and/or workshops. If their existing level of information and knowledge is not sufficient, proper steps should be taken to provide information, prior to the start of the consultations. This should be factored into the timeline.

### **7. *Conduct the consultations***

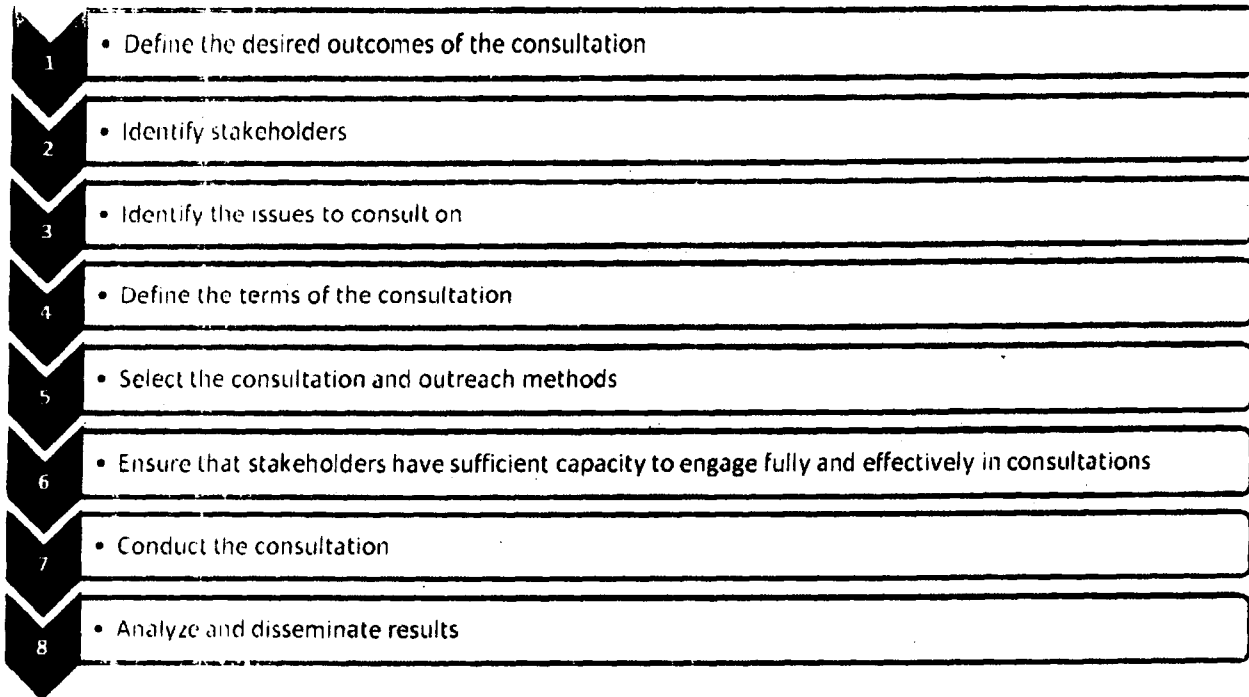
Consultations should be held in accordance with the terms of the consultation as agreed upon under step #4 and any deviations from this should be discussed with and agreed upon by stakeholders. The legitimate authorities of indigenous peoples and forest-dependent communities should be consulted, and their decision-making processes respected. Broad community support, in the case of the FCPF, or free, prior and informed consent, in the case of the UN-REDD Programme, can be withheld at the community level, and such a decision should be respected.

### **8. *Analyze and disseminate results***

The findings from every consultation should be analyzed, reported and discussed with representative stakeholder groups. It is important that the data analysis feeds back into the decision-making process. Providing timely feedback is also important to sustain interest in and commitment to the process.

On completing a consultation: develop a report or findings; acknowledge key issues raised during consultations and respond as appropriate; and describe how the outcomes of the consultation process will be incorporated into REDD+ strategy and programs. In addition, the findings of all the consultations should be disclosed through the communication channels agreed upon under the terms of the consultation (step #4).

**Figure 1: Schematic of Consultations Steps**



**Annex 1: UN-REDD Programme Requirements Relevant to Stakeholder Engagement*****UN-REDD Global Programme:******Representation<sup>7</sup>***

1. Indigenous peoples will be represented on the UN-REDD Policy Board by the Chair of the United Nations Permanent Forum on Indigenous Issues or by his/her designate, and by three indigenous peoples observers representing each of the three regions: Africa, Asia and the Pacific, and Latin America and the Caribbean.
2. Civil Society Organizations will be represented on the UN-REDD Policy Board by one full member and three observers representing each of the three regions and industrialized countries. Representatives of civil society organizations will be identified through a self-selection process and will choose among themselves who will serve as the full member.
3. Indigenous peoples and other forest-dependent peoples will be invited to engage with the International Advisory Group on Forests, Rights and Climate Change, which is empowered to monitor activities and provide substantive advice to the UN-REDD Programme Policy Board.

***Transparency and Access to Information***

4. The UN-REDD Programme will publish meeting reports and official documents on the UN-REDD Programme website.

***UN-REDD National Programmes:******Representation***

1. Indigenous peoples and other forest-dependent communities shall be represented on National REDD+ Steering Committees or equivalent bodies, where established.

***Validation of National Programme Documents:***

- i. In order to be endorsed by the UN-REDD Secretariat for approval by the UN-REDD Programme Policy Board, draft National Programmes must submit minutes of a 'validation meeting' of National Stakeholders (where established: the National REDD+ Steering Committee), including indigenous peoples' representative(s).
- ii. The representative(s) who participate(s) in the 'validation meeting' must subscribe to one of the following criteria:

***Option i.***

- is selected through a participatory and consultative process;
- has previous experience working with the government and UN system,

---

<sup>7</sup> For more information on the structure of the UN-REDD Programme Policy Board, see the UN-REDD Programme Rules of Procedure and Operational Guidance at <http://www.un-redd.org/PolicyBoard/tabid/588/language/en-US/Default.aspx>

- has demonstrated experience serving as a representative, receiving input from, consulting with, and providing feedback to, a wide scope of civil society/indigenous peoples' organizations; or

Option ii.

- participated in a UN-REDD Programme scoping and/or formulation mission and sit(s) on a UN-REDD Programme consultative body established as a result of the mission; or

Option iii.

- is an individual(s) recognized as legitimate representative(s) of a national network of civil society and/or indigenous peoples' organizations (e.g. the GEF Small Grants National Steering Committee or National Forest Programme Steering Committee)

2. The 'validation meeting' will be one step of a wider Consultation and Participation Plan and will be documented as an annex to the Programme Document.

3. The National Programme Consultation and Participation Plan should effectively involve indigenous peoples and other forest-dependent communities, and civil society organizations in all stages, including program design, implementation, and monitoring and evaluation, adhering to the same guiding principles as mentioned in the Principles of Effective Stakeholder Engagement on page 3.

4. National Programmes should include activities and resources to support ongoing consultation, engagement and partnership to ensure that national UN-REDD activities take into account current priorities and concerns articulated by representatives of indigenous peoples and other forest-dependent communities.

5. National Programmes will assess the impact of UN-REDD Programme activities on the rights of indigenous peoples' and other forest-dependent communities prior to taking decisions on such activities.

### ***Transparency and Accountability***

6. Outcome documents from consultations such as meeting minutes, reports, work plans, and roadmaps for implementation should be: i) circulated to indigenous peoples' organizations for an assessment of their accuracy, ii) publicly accessible, and iii) reflected, as appropriate, a) National Programme documents, b) on the UN-REDD website, and submitted to the Policy Board annually.

7. The UN Resident Coordinator will distribute annual reports on UN-REDD Programme activities to indigenous peoples and civil society networks through the indigenous peoples' and other forest-dependent community's representative on the National UN-REDD Steering Committee in order to ensure transparency.

### ***Addressing Grievances***

National Programmes are required to establish grievance mechanisms. This requirement is already outlined in the FCPF and UN-REDD Readiness Preparation Proposal (R-PP) Template, where REDD+ countries will:

- Conduct a rapid assessment of existing formal or informal feedback and grievance mechanisms, including an assessment of how existing mechanisms could be modified to ensure that the eventual mechanism is accessible, transparent, fair, affordable, and effective in responding to challenges in REDD+ implementation;
- Develop a framework for the proposed grievance mechanism, including steps that will be taken to define the structure, functioning and governance of such a mechanism, taking into account customary grievance approaches and best practices where feasible;
- Describe how information sharing and consultation on the proposed mechanism will occur.

The UN-REDD Programme is in the process of developing elaborated guidelines on national level grievance mechanisms, which will be shared for external consultation in the first half of 2012. In the interim, stakeholders may direct grievances to both the UN-REDD Programme Secretariat and the UN Resident Coordinator in country for review and appropriate action

## Annex 2: Overview of the UN-REDD Programme Guidelines on Free, Prior and Informed Consent

Free, Prior and Informed Consent (FPIC) is the collective right of indigenous peoples to participate in decision making and to give or withhold their consent to activities affecting their lands, territories and resources or rights in general. Consent must be freely given, obtained prior to implementation of activities and be founded upon an understanding of the full range of issues implicated by the activity or decision in question; hence the formulation: free, prior and informed consent.

The specific mandate and obligation for States, the UN and its programmes to promote and respect the right to FPIC are outlined in the following agreements:

- United Nations Development Group (UNDG) Guidelines on Indigenous Peoples Issues (2008);
- United Nations Declaration on the Rights of Indigenous Peoples (2007);
- Convention on Biological Diversity (CBD) (1992);
- International Labour Organization Convention 169 on Indigenous and Tribal Peoples (1989); and
- UNFCCC Cancun Agreements decisions on REDD+.

This rights-based principle of FPIC applies to REDD+ discussions regarding potential changes in resource uses that could impact the livelihoods of indigenous peoples. Under these circumstances, consistent with international human rights instruments and other treaty obligations, potentially impacted peoples have the right to participate in and consent to or withhold consent from a proposed action. This principle holds that communities should have the right to withhold consent at key decision-making points occurring both prior to and during a proposed activity. FPIC applies to proposed actions (decisions, activities, projects, etc.) that have the potential to impact the lands, territories, and resources upon which indigenous peoples depend for their cultural, spiritual and physical sustenance, well-being, and survival.

The primary users of the Guidelines will be UN-REDD Programme partner countries, including those with National Programmes as well as those receiving targeted support. The Guidelines apply to national level activities supported by the UN-REDD Programme. They also apply to activities supported by any of the three UN partner agencies to the UN-REDD Programme (FAO, UNDP, UNEP) in their role as a Delivery Partner under FCPF (refer to Annex 5 for an illustrative table of when the Guidelines apply under different delivery arrangements).

The Guidelines include the following components:

- The Guidelines outline the **normative framework** by which the UN-REDD Programme follows a human rights-based approach to programming and policy;
- The Guidelines elaborate on each element of the **definition of FPIC**, building on the definition of FPIC endorsed by the UN Permanent Forum on Indigenous Issues in 2005;
- The Guidelines outline the **operational framework** by which UN-REDD Programme partner countries can seek FPIC, including guidance on when FPIC is required, who seeks consent, who gives consent, specific steps to seek FPIC from a community, and guidance on establishing mechanisms to address grievances and monitor compliance with standards, guidelines and policies.

The Guidelines are currently being finalized. A draft version of the Guidelines can be downloaded in English, French and Spanish at the following link:

[http://www.unredd.net/index.php?option=com\\_docman&task=cat\\_view&gid=1333&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=cat_view&gid=1333&Itemid=53)



**Annex 3: Summary of World Bank Operational Policy 4.10 on Indigenous Peoples****Objectives****E. Indigenous Peoples**

To design and implement projects in a way that fosters full respect for Indigenous Peoples' dignity, human rights, and cultural uniqueness and so that they: (a) receive culturally compatible social and economic benefits; and (b) do not suffer adverse effects during the development process.

**Operational Principles**

1. Screen early to determine whether Indigenous Peoples are present in, or have collective attachment to, the project area. Indigenous Peoples are identified as possessing the following characteristics in varying degrees: self-identification and recognition of this identity by others; collective attachment to geographically distinct habitats or ancestral territories and to the natural resources in these habitats and territories; presence of distinct customary cultural, economic, social or political institutions; and indigenous language.

2. Undertake free, prior and informed consultation with affected Indigenous Peoples to ascertain their broad community support for projects affecting them and to solicit their participation: (a) in designing, implementing, and monitoring measures to avoid adverse impacts, or, when avoidance is not feasible, to minimize, mitigate, or compensate for such effects; and (b) in tailoring benefits in a culturally appropriate manner.

3. Undertake social assessment or use similar methods to assess potential project impacts, both positive and adverse, on Indigenous Peoples. Give full consideration to options preferred by the affected Indigenous Peoples in the provision of benefits and design of mitigation measures. Identify social and economic benefits for Indigenous Peoples that are culturally appropriate, and gender and inter-generationally inclusive and develop measures to avoid, minimize and/or mitigate adverse impacts on Indigenous Peoples.

4. Where restriction of access of Indigenous Peoples to parks and protected areas is not avoidable, ensure that the affected Indigenous Peoples' communities participate in the design, implementation, monitoring and evaluation of management plans for such parks and protected areas and share equitably in benefits from the parks and

Objectives

**Operational Principles**

protected areas.

5. Put in place an action plan for the legal recognition of customary rights to lands and territories, when the project involves: (a) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples traditionally owned, or customarily used or occupied; or (b) the acquisition of such lands.

6. Do not undertake commercial development of cultural resources or knowledge of Indigenous Peoples without obtaining their prior agreement to such development.

7. Prepare an Indigenous Peoples Plan that is based on the social assessment and draws on indigenous knowledge, in consultation with the affected Indigenous Peoples' communities and using qualified professionals. Normally, this plan would include a framework for continued consultation with the affected communities during project implementation; specify measures to ensure that Indigenous Peoples receive culturally appropriate benefits, and identify measures to avoid, minimize, mitigate or compensate for any adverse effects; and include grievance procedures, monitoring and evaluation arrangements, and the budget for implementing the planned measures.

8. Disclose the draft Indigenous Peoples Plan, including documentation of the consultation process, in a timely manner before appraisal formally begins, in an accessible place and in a form and language that are understandable to key stakeholders.

9. Monitor implementation of the Indigenous Peoples Plan, using experienced social scientists.

**Annex 4: SESA and ESMF**

The multi-sectoral, programmatic nature of REDD+ readiness requires a strategic approach. Standard project-level environmental impact assessment is not appropriate at this strategic level. A Strategic Environmental and Social Assessment (SESA) has therefore been selected as the appropriate approach for incorporating relevant environmental and social considerations into REDD+ Readiness.

The strength of SESA for REDD+ is that it combines analytical and participatory approaches in an iterative fashion throughout the preparation and implementation of the R-PP. The SESA aims to integrate key environmental and social considerations relevant to REDD+ at the earliest stage of programmatic decision making, establishing their inter-linkages with economic and political factors. The SESA facilitates this planning process to help governments formulate their R-PPs and R-Packages in a way that reflects inputs from key stakeholder groups and addresses the key environmental and social issues identified. Through this process, social and environmental opportunities and desirable outcomes are identified and agreed on, to strive to ensure that the REDD+ program will be sustainable and contribute to the country's development objectives.

The SESA provides inputs for institutional strengthening and criteria for risk management. The R-Package (or country's completion report, if the country is not preparing an R-Package) will include an applicable Environmental and Social Management Framework (ESMF) compliant with World Bank safeguard policies for screening, impact assessment, and consultations in potential REDD+ programs and projects.

The SESA guidelines can be summarized as follows:

- a. Undertake existing or new diagnostic work to identify and prioritize the drivers of deforestation and the key social and environmental issues associated with the drivers including those linked to the Bank safeguard policies. Diagnostic work should cover among others, issues such as land tenure, sharing of benefits, access to resources, likely social and environmental impacts of REDD+ strategy options;
- b. Undertake diagnostic work on legal, policy and institutional aspects of REDD+ readiness;
- c. Assess existing capacities and gaps to address the environmental and social issues identified;
- d. Draft REDD+ strategy options taking into consideration the above issues;
- e. Develop framework to mitigate and manage the risks of the REDD+ strategy options, i.e., to be included in an ESMF; and
- f. Establish outreach, communication and consultative mechanisms with relevant stakeholders for each of the above steps. The consultations for SESA will be integral to consultations for the REDD+ readiness process and the REDD country's consultation plan should therefore include the consultations on the social and environmental considerations as well.

Recognizing that several aspects of the analytical work are already covered in the R-PP template, the SESA guidelines have been mainstreamed into the R-PP template.

An ESMF will be a stand-alone document, but the timing of the ESMF preparation may be influenced by the identification of the investments. If REDD+ investments are not clearly identified at the Readiness Package (R-Package) stage, the ESMF produced as part of the R-Package could be an advanced draft, to be finalized once the investments are clearly identified, if necessary during the REDD+ implementation phase. If a country is not preparing an R-Package, an "advanced" or final draft of the ESMF will be part of the country's completion report.

**Annex 5: “Free, Prior and Informed Consent” or “Free, Prior and Informed Consultation Leading to Broad Community Support” standards that should be applied under different REDD+ implementation arrangements**

This table is provided for illustrative purposes.

REDD+ Readiness Implementation arrangements	Free, Prior and Informed Consent or Consultation standards that should be applied		
	Free, Prior and Informed Consultation Leading to Broad Community Support should be adhered to as per World Bank Operational Policy 4.10 (Summary in Annex 3)	Any national legislation adopting Free, Prior and Informed Consent and Consultation	UN-REDD Programme Guidelines on FPIC should be adhered to
FCPF Readiness Fund is the sole funder and the World Bank is the Delivery Partner in a country without national legislation adopting Free, Prior and Informed Consent as a standard	✓		
FCPF Readiness Fund is the sole funder and the World Bank is the Delivery Partner in a country with national legislation adopting Free, Prior and Informed Consent as a standard		✓	
UN-REDD is the sole funder and implementing agency in a country without national legislation adopting Free, Prior and Informed Consent as a standard			✓
UN-REDD is the sole funder and implementing agency in a country with national legislation adopting Free, Prior and Informed Consent as a standard		✓	✓
UN-REDD agency is the Delivery Partner under the FCPF in a country without national legislation adopting Free, Prior and Informed Consent as a standard			✓
UN-REDD agency is the Delivery Partner under the FCPF in a country with national legislation adopting Free, Prior and Informed Consent as a standard		✓	✓

**Annex 6: Links to Useful Resources****United Nations Declaration on the Rights of Indigenous Peoples:**

<http://www2.ohchr.org/english/issues/indigenous/declaration.htm>

**ILO Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries:**

<http://www.unhcr.ch/html/menu3/b/62.htm>

**Convention on Biological Diversity:** <http://www.cbd.int/convention/convention.shtml>**International Convention on the Elimination of Racial Discrimination:**

<http://www2.ohchr.org/english/law/cerd.htm>

**United Nations Permanent Forum on Indigenous Issues:** <http://www.un.org/esa/socdev/unpfii/index.html>**United Nations Development Group Guidelines on Indigenous Peoples' Issues:**

<http://www2.ohchr.org/english/issues/indigenous/docs/guidelines.pdf>

**UNDP and Indigenous Peoples: A Policy of Engagement:**

<http://www.undp.org/partners/cso/publications.shtml>

**FAO Policy on Indigenous and Tribal Peoples:**

<http://www.fao.org/docrep/013/i1857e/i1857e00.htm>

**World Bank Safeguards Policies:**

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTSAFEPOL/0,,menuPK:584441~pagePK:64168427~piPK:64168435~theSitePK:584435,00.html>

**UNDP and CSOs: A Toolkit for Strengthening Partnerships:**

[http://www.undp.org/partners/cso/publications/CSO\\_Toolkit\\_Linked.pdf](http://www.undp.org/partners/cso/publications/CSO_Toolkit_Linked.pdf)

**UNDG Toolkit for Improved Functioning of the UN System at the Country Level:**

[http://www.undg.org/toolkit/toolkit.cfm?sub\\_section\\_id=255&topid1=on&topid=1](http://www.undg.org/toolkit/toolkit.cfm?sub_section_id=255&topid1=on&topid=1)

**The Human Rights Based Approach to Development Cooperation:**

[http://www.undp.org/governance/docs/HR\\_Guides\\_CommonUnderstanding.pdf](http://www.undp.org/governance/docs/HR_Guides_CommonUnderstanding.pdf)

**Indicators for Human Rights Based Approaches to Development in UNDP Programming: A Users' Guide:**

<http://www.undp.org/oslocentre/docs06/HRBA%20indicators%20guide.pdf>

**Web-based guide on How to Engage with the International Human Rights Machinery:**

<http://www.hurilink.org/hrmachinery/english/>

**World Bank: Consultations with Civil Society – A Guide:**

[http://siteresources.worldbank.org/CSO/Resources/ConsultationsSourcebook\\_Feb2007.pdf](http://siteresources.worldbank.org/CSO/Resources/ConsultationsSourcebook_Feb2007.pdf)

**Akwe: Kon Guidelines:** Voluntary guidelines for the conduct of cultural, environmental and social impact assessments regarding developments proposed to take place on, or which are likely to impact on, sacred sites and on lands and waters traditionally occupied or used by indigenous and local communities:

<http://www.cbd.int/doc/publications/akwe-brochure-en.pdf>

**Inter-American Court of Human Rights: Case of the Saramaka People v. Suriname Judgment of November 28, 2007:**

[http://www.forestpeoples.org/documents/s\\_c\\_america/suriname\\_iachr\\_saramaka\\_judgment\\_nov07\\_eng.pdf](http://www.forestpeoples.org/documents/s_c_america/suriname_iachr_saramaka_judgment_nov07_eng.pdf)

**Report of FCPF Global Dialogue with Indigenous Peoples, September**

**2011:** [http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Nov2011/Guna\\_Yala\\_Dialogue\\_Final\\_Report\\_EN.pdf](http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Nov2011/Guna_Yala_Dialogue_Final_Report_EN.pdf)

**Report from the Global Indigenous Peoples Consultation on REDD, November 2008:**

<http://www.un-redd.net/events/GlobalIndigenousPeoplesConsultationonREDD/tabid/551/Default.aspx>

### FCPF Readiness Fund: Guidance on Disclosure of Information

According to para.32 of the Common Approach, the following documents will be disclosed.

Item to be disclosed	Party responsible for disclosure	Disclosure medium	Time of disclosure
Draft R-PIN	Government	Paper or electronic distribution to relevant stakeholders	14 days prior to relevant PC meeting
TAP's synthesis R-PIN review	FMT	FCPF website	14 days prior to relevant PC meeting
R-PIN of selected country	FMT	FCPF website	Within 30 days after selection by PC
Conformed copy of signed R-PP Formulation and Readiness Preparation grant agreement	Government	Government website or equivalent	30 days after signature by Second Party to the Agreement (Trustee or Government)
	WB: LEG IDB:PTL UNDP:EEG	Delivery Partner's website	30 days after receipt by the Delivery Partner of the fully executed copy of the agreement
	FMT	Link to Delivery Partner's website from FCPF website	
R-PP	Government	Paper or electronic distribution to relevant stakeholders	As soon as possible prior to or concurrent with submission to FMT
	FMT	FCPF website	14 days prior to relevant PC meeting
TAP's synthesis R-PP review	FMT	FCPF website	14 days prior to relevant PC meeting
Delivery Partner's comments on R-PP	FMT	FCPF website	If available
PC resolution on R-PP	FMT	FCPF website	14 days after resolution by PC
Revised R-PP	FMT	FCPF website	14 days after FMT finalizes completeness check
	Government	Paper or electronic distribution to relevant stakeholders	Concurrent with or as soon as possible after FMT posts revised R-PP
WB: PID and ISDS IDB: PP/TC Profile and ESS UNDP: Adapted PID or Adapted UN-REDD Submission Form	WB: TTL IDB: PTL UNDP: EEG	Delivery Partner's website	Prior to signature of Supplementary Grant (Readiness Preparation Grant) Agreement; also disclosed when updated.
	FMT	Link to Delivery Partner's website from FCPF website	
Conformed copy of signed supplementary grant agreement	Government	Government website or equivalent	30 days after receipt by the Delivery Partner of the fully executed copy of the agreement

Item to be disclosed	Party responsible for disclosure	Disclosure medium	Time of disclosure
	WB: LEG IDB: PTL UNDP: EEG	Delivery Partner's website	30 days after receipt by the Delivery Partner of the fully executed copy of the agreement
	FMT	Link to Delivery Partner's website from FCPF website	
R-PP Assessment Note minus WB's ORAF. IDB's Risk Matrix or minus UNDP's Risk and Issues Log. IDB will integrate this assessment in the ESS	FMT	FCPF website	30 days after receipt by the Delivery Partner of the fully executed copy of the agreement
ToRs for major studies under the Readiness Preparation grant	Government	Government website and local press	As early possible but at least 45 days prior to signature of relevant contract
Delivery Partner's Aide Memoire from due diligence and supervision missions	WB: TTL IDB: PTL UNDP: EEG FMT	Delivery Partner's website  Link to Delivery Partner's website from FCPF website	As available, subject to agreement between the national government and the Delivery Partner
Mid-term progress report, including ToR for ESMF	Government  FMT	Paper or electronic distribution to relevant stakeholders  FCPF website	As soon as possible prior to or concurrent with submission to FMT  Prior to relevant PC meeting in accordance with relevant PC decision
Readiness Package, including ESMF and completion report	Government  FMT	Paper or electronic distribution to relevant stakeholders  FCPF website	As soon as possible prior to or concurrent with submission to FMT  Prior to relevant PC meeting in accordance with relevant PC decision
(Only completion report, including ESMF, if a country is not preparing an R-Package)	(WB: TTL IDB: PTL UNDP: EEG)	(If only the completion report is submitted, disclose on the Delivery Partner's website /FMT will link to Delivery Partner's website from FCPF website)	(As available, in accordance with the timetable in a grant agreement)
TAP's synthesis	FMT	FCPF website	Prior to relevant PC meeting in



<b>Item to be disclosed</b>	<b>Party responsible for disclosure</b>	<b>Disclosure medium</b>	<b>Time of disclosure</b>
Readiness Package review			accordance with relevant PC decision
PC resolution on Readiness Package	FMT	FCPF website	14 days after resolution by PC
Final audited / certified financial project reports	WB: TTL IDB: PTL UNDP: EEG FMT	Delivery Partner's website  Link to Delivery Partner's website from FCPF website	As available
Periodic monitoring report (WB GRM report IDB annual report including the FCPF qualitative monitoring annex UNDP ARR)	WB: TTL IDB: PTL UNDP: EEG FMT	Delivery Partner's website  Link to Delivery Partner's website from FCPF website	At least once per fiscal year, within 30 days after report becomes available
Mid-term monitoring report (WB GRM report IDB Mid-Term Report, including the FCPF qualitative monitoring annex UNDP ARR)	WB: TTL IDB: PTL UNDP: EEG FMT	Delivery Partner's website  Link to Delivery Partner's website from FCPF website	Before the relevant PC meeting
Completion report (WB final GRM report IDB PCR and final FCPF qualitative monitoring annex UNDP final ARR)	WB: TTL IDB: PTL UNDP: EEG FMT	Delivery Partner's website  Link to Delivery Partner's website from FCPF website	30 days after completion report becomes available, or before the relevant PC meeting, whichever comes first
Conformed copy of Transfer Agreement between Trustée and Delivery Partner	WB: LEG IDB: LEG UNDP: EEG FMT	Delivery Partner's website  FCPF website	Within 30 days after countersignature



**FCPF Readiness Fund: Guidelines for Establishing Grievance and  
Redress Mechanism at the Country Level**  
*(R-PP v. 6 draft Revised (April 20, 2012))*

*Component 1a (National Readiness Management Arrangements) of the R-PP template (version 6) provides as follows:*

**“ 7. Propose a feedback and grievance redress mechanism (an FGRM), to be operational early in the R-PP implementation phase:**

Transparent information sharing and consultations with stakeholders are the foundation of REDD-plus activities in countries and the implementation of the R-PP. The complexity of issues and diversity of stakeholders may lead to numerous questions, inquiries, and potentially grievances about the REDD-plus strategy or process. A feedback and grievance redress mechanism is part of the country's REDD-plus management framework. Such a mechanism needs to be available to stakeholders early in the R-PP implementation phase, in order to be ready to handle any request for feedback or complaint that stakeholders may have about Readiness activities.

A grievance redress mechanism is a process for receiving and facilitating resolution of queries and grievances from affected communities or stakeholders related to REDD-plus activities, policies or programs at the level of the community or country. Typically, these mechanisms focus on flexible problem solving approaches to dispute resolution through options such as fact finding, dialogue, facilitation or mediation. Designed well, a feedback and grievance mechanism should improve responsiveness to citizen concerns, help identify problems early, and foster greater trust and accountability with program stakeholders. Additionally data on complaints or feedback can be used to improve program performance. Effective feedback and grievance mechanisms may be particularly helpful in the context of integrating REDD-plus work under R-PP components, including component 1 (Organize and Consult), 2b (the REDD-plus strategy), and 6 (Monitoring and Evaluation). Review of the performance of REDD-plus institutional arrangements, participation by stakeholders, and implementation of the REDD-plus strategy occurs under component 6, which this feedback and grievance redress mechanism should help support.

Grievance mechanisms are not substitutes for legal or administrative systems or other public or civic mechanisms. They do not remove the right of complainants to take their grievances to other more formal recourse options. Ideally local feedback and grievance processes will have been accessed, but may not have provided adequate resolution. Alternatives to more formal grievance mechanisms also may prove useful and can be considered (e.g., a dialogue-based multi-party dispute resolution).

A number of resources are available on this topic, including the IFC and World Bank notes listed in Annex A.

In this component, the country is asked to provide its proposed process for how it will develop, utilize, and institutionalize an effective feedback and grievance mechanism. This mechanism should be capable of addressing requests for information and complaints associated with the country's REDD-plus strategy in component 2b, its consultation and participation process laid out in component 1c, its monitoring and evaluation in component 6, or otherwise. Note that a country should strive to have available a single feedback and grievance mechanism to handle REDD-plus concerns at any given local or national level, and avoid duplication to meet different program requirements.

For countries operating under the UN-REDD Programme, this proposed mechanism should adhere to the principles and standards outlined in the UN-REDD Programme Guidelines on FPIC and the UN-REDD Programme Guidance on National-level Grievance Mechanisms (forthcoming).

This section of the R-PP should include proposals to:

a) **Conduct rapid assessment of existing formal & informal feedback and grievance redress mechanisms:** Propose to conduct an assessment of what options already exist at the local or national level could be modified to put in place an accessible, transparent, fair, affordable and effective grievance redress mechanism for issues arising under a REDD-plus regime.

This assessment also should consider the appropriate level to build on to provide redress. For example, perhaps building on local level existing systems in proposed REDD-plus pilot project areas, or at the regional level where clusters of activities would occur, or building on an existing national grievance mechanism.

b) **Develop a framework for the proposed feedback and grievance redress mechanism:** Propose a study or other activities to define the structure, functioning and governance of such a mechanism, taking into account customary grievance approaches where feasible. The proposal should indicate steps that will incorporate the best practice for creating grievance mechanisms, which includes public dialogue and consultation with stakeholders. This consultation process will ensure that the goals of the mechanism are clear to all stakeholders and that the design reflects the particular cultural or legal context in the country. The proposal should also provide a central location for feedback by stakeholders asking for information or clarifications, or reporting problems encountered in implementation of REDD-plus programs. It serves to put stakeholders in contact with the appropriate officials and processes.

As background for consideration, the grievance redress process usually includes six steps – grievance uptake; grievance sorting and processing; acknowledgement and follow-up; grievance verification, investigation and action; grievance monitoring and evaluation; and feedback/communication.

Effective grievance redress mechanisms should address concerns promptly and fairly, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected stakeholders, and at no cost and without retribution or impeding other administrative or legal remedies. Effective grievance redress mechanisms are also typified by a number of characteristics, such as multiple grievance uptake locations and multiple channels for receiving grievances; prompt, clear, and transparent processing guidelines (including reviewing procedures and monitoring systems); the availability of a variety of dispute resolution approaches for flexible response to specific grievances; and an effective and timely system for informing complainants of the action taken. If appropriate, the grievance mechanism should provide special provisions for women, and the youth.

c) **Describe how information sharing and consultation on the proposed mechanism will occur:** Include how public dissemination of results of any studies or discussions of proposed grievance arrangements would be conducted. A number of approaches should be considered in the initial consultation with stakeholders regarding who will be responsible for addressing feedback received and resolving grievances brought to the mechanism. The methods of resolving disputes should be addressed as well, and may include: information sharing, fact-finding, mediation and negotiation.

**It is good practice for this component to:**

- Assess previous experience, and determine the highest level of decision making authority in the country at which a REDD steering group should be created in order to be effective. Describe in the workplan how to inform and engage the higher levels of political authority.
- Design the role of the highest REDD governance body such that it is in a position to coordinate and influence actions and programs of forestry and other relevant sectors. Draw an organogram illustrating the hierarchical levels and interconnections between the various bodies.

- Define clear roles and mandates for these bodies, to facilitate coordination among them.
- Propose to strengthen existing coordinating bodies/mechanisms, rather than create new entities, unless existing bodies are not effective.
- Identify policies and laws that need to be reviewed or reformed to allow for successful collaboration.



ANNEX 2

FORM OF LETTER OF COMMITMENT

Letter of Commitment

[date]

[Name]

[Title]

As Delivery Partner pursuant to the Transfer Agreement

[Delivery Partner contact details pursuant to the  
Transfer Agreement]

**RE: Readiness Fund of the Forest Carbon Partnership Facility -  
Commitment of Funds to the Inter-American Development Bank**

Dear Sir or Madam:

Reference is made to the Transfer Agreement between the International Bank for Reconstruction and Development (the "IBRD") as trustee (the "Trustee") of the Readiness Fund of the Forest Carbon Partnership Facility (TF No. 012474) (the "Trust Fund") and the Inter-American Development Bank ("IDB", the "Delivery Partner"), dated \_\_\_\_\_ (the "Transfer Agreement"), in which the Trustee has agreed to transfer funds from the Trust Fund to the Delivery Partner consistent with the terms of the Transfer Agreement.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Transfer Agreement.

In accordance with Paragraph 2(a) of the Transfer Agreement, the Trustee hereby commits the sum of US\$ [*amount of Allocation for Readiness Activities*] to the Inter-American Development Bank, such amount reflecting the amounts for the Delivery Partner to carry out the Readiness Activities in relation to [*insert name of REDD Country Participant(s)*], as approved by the Participants Committee. Details appear in the Annex attached hereto.

Upon receipt by Trustee of the Transfer Request, funds shall be transferred by the Trustee to the Delivery Partner in accordance with Paragraph 2(a) of the Transfer Agreement.

Sincerely,

International Bank for Reconstruction and Development  
as trustee of the Readiness Fund of the Forest Carbon  
Partnership Facility

\_\_\_\_\_  
Name:

Title:

Attachments

ANNEX 3

FORM OF TRANSFER REQUEST

[Delivery Partner's letterhead]

[Date]

[name]

[title]

As Trustee pursuant to the Transfer Agreement

[Trustee contact details pursuant to the  
Transfer Agreement]

**RE: Readiness Fund of the Forest Carbon Partnership Facility -  
Transfer Request for Allocation of [Readiness Activities] AND/OR [Administrative Fees for  
Preparation Support] AND/OR [Administrative Fees for Other Delivery Partner Support]  
AND/OR [Dispute Resolution Reinforcing Costs] to the Inter-American Development Bank**

Dear Sir or Madam:

Reference is made to the Transfer Agreement between the International Bank for Reconstruction and Development ("IBRD") as trustee (the "Trustee") of the Readiness Fund of the Forest Carbon Partnership Facility (TF No. 012474) (the "Trust Fund") and the Inter-American Development Bank ("IDB", the "Delivery Partner"), dated \_\_\_\_\_ (the "Transfer Agreement"), in which the Trustee agreed to transfer funds from the Trust Fund to the Delivery Partner consistent with the terms of the Transfer Agreement.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Transfer Agreement.

Pursuant to Paragraph 2 of the Transfer Agreement, the Delivery Partner hereby requests the Trustee to transfer *[insert amount of requested Allocation in words]* United States Dollars from the Trust Fund for the Delivery Partner's use consistent with the terms of the Transfer Agreement, for [Readiness Activities in relation to *[insert name of REDD Country Participant(s)]*][and/or][Administrative Fees for Preparation Support in relation to *[insert name of REDD Country Participant(s)]*][and/or][Administrative Fees for Other Delivery Partner Support][and/or][Dispute Resolution Reinforcing Costs], as approved by the Participants Committee.<sup>1</sup>

**Bank Account Details for receipt of Allocation:**

Bank account name:

Bank account number:

Bank name:

Bank address:

Bank SWIFT code:

Routing instructions:

---

<sup>1</sup> If the requested Allocation include more than one category of costs or REDD Country Participant, the Delivery Partner shall include a breakdown of the Allocation amount requested for each category and/or REDD Country Participant.



Sincerely,

INTER-AMERICAN DEVELOPMENT BANK

---

[Name]

[Title]

as Delivery Partner pursuant to the  
Transfer Agreement

ANNEX 4

FORM OF AUTHORIZED SIGNATORY LETTER

[DATE]

[name]

[title]

As Trustee pursuant to the Transfer Agreement

[Trustee contact details pursuant to the  
Transfer Agreement]

Dear Sir or Madam:

**Re: Readiness Fund of the Forest Carbon Partnership Facility – Authorized Signatory Letter under the Transfer Agreement between the Trustee and IDB**

Reference is made to the Transfer Agreement between the International Bank for Reconstruction and Development (the “IBRD”) as trustee (the “Trustee”) of the Readiness Fund of the Forest Carbon Partnership Facility (TF No. 012474) (the “Trust Fund”) and the Inter-American Development Bank (“IDB”, the “Delivery Partner”), dated \_\_\_\_\_ (the “Transfer Agreement”). For the purposes of the Transfer Agreement, any [one/two] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Delivery Partner to sign any requests or reports under the Transfer Agreement.

This authorization replaces and supersedes any authorization currently in the Trustee records with respect to the Transfer Agreement.

[Name], [position]                      Specimen Signature: \_\_\_\_\_

[Name], [position]                      Specimen Signature: \_\_\_\_\_

[Name], [position]                      Specimen Signature: \_\_\_\_\_

Yours truly,

INTER-AMERICAN DEVELOPMENT BANK

\_\_\_\_\_  
[Name]  
[Position]