



## Smoke and mirrors

**A critical assessment of the Forest Carbon Partnership Facility**

Authors: Kate Dooley, Tom Griffiths, Francesco Martone and Saskia Ozinga



FERN and Forest Peoples Programme, February 2011

Authors: Kate Dooley, Tom Griffiths, Francesco Martone and Saskia Ozinga

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FERN office UK

1C Fosseyway Business Centre, Stratford Road, Moreton in Marsh, GL56 9NQ, UK

FERN office Brussels

26 Rue d'Edimbourg 1050 Brussels, Belgium

[www.fern.org](http://www.fern.org)



Forest Peoples Programme

1C Fosseyway Business Centre, Stratford Road, Moreton in Marsh, GL56 9NQ, UK

[www.forestpeoples.org](http://www.forestpeoples.org)

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Baka woman in the forest, Cameroon. Photo: Martijn ter Heegde, Rainforest Foundation UK

Damar Forest in Lampung, Indonesia. Photo FPP

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Logs in Guyana. The Government of Guyana continues to hand out new logging concessions, even though it is unable to enforce existing rules for current logging operations. photo FPP



## Acronyms

|         |  |
|---------|--|
| ANAM    | Ministry of the Environment (Panama)                                   |
| AIDSESP | Interethnic Development Association of the Peruvian Rainforest         |
| APA     | Amerindian Peoples Association   |
| BCS     | Broad Community Support  |
| CERD    | Committee for the Elimination of Racial Discrimination                 |
| CDM     | Clean Development Mechanism  |
| CHRAJ   | Commission on Administrative Justice and Human Rights                  |
| CSO     | civil society organisation   |
| DNA     | Designated National Authority  |
| DNPI    | Indonesian National Climate Change Council                             |
| DRC     | Democratic Republic of Congo   |
| EIA     | Environmental Investigation Agency                                     |
| ENRAC   | Environmental Advisory Council   |
| ER      | Emission Reductions (under the FCPF's Carbon Fund)                     |
| ERP     | Emission Reductions Programme  |
| ERPA    | Emission Reductions Payment Agreement                                  |
| ER-PIN  | Emission Reductions concept note                                       |
| ESMF    | Environmental Social Management Framework                              |
| FAO     | Food and Agriculture Organization of the United Nations                |
| FCPF    | Forest Carbon Partnership Facility                                     |
| FIP     | Forest Investment Programme  |
| FLEGT   | Forest Law Enforcement, Governance and Trade                           |
| FMT     | The FCPF's Facility Management Team                                    |
| FPIC    | free, prior and informed consent                                       |
| GFC     | Guyana Forest Commission   |
| GHG     | greenhouse gas   |
| IP      | indigenous peoples   |
| IPO     | Indigenous Peoples' Organisation                                       |
| ISDS    | Integrated Safeguards Data Sheet                                       |
| IUFRO   | International Union of Forest Research Organizations                   |
| LCA     | (Ad-hoc Working Group) Long-term Cooperative Action (under the UNFCCC) |
| LCDS    | Low Carbon Development Strategy  |
| MDP     | Multiple Delivery Partners   |
| MINAM   | Peruvian Ministry of Environment                                       |
| MoU     | Memorandum of Understanding  |
| MRV     | Monitoring, Reporting and Verification                                 |
| NEFIN   | Nepal Federation of Indigenous Nationalities                           |
| NGO     | non-governmental organisation  |
| PC      | Participants Committee (to the World Bank's FCPF)                      |
| PES     | Payment for Ecosystem/Environmental Services                           |

|        |  |
|--------|--|
| PID    | Project Information Document                                   |
| PNG    | Papua New Guinea   |
| PRONAT | National Programme for Land Administration (Panama)            |
| RCOC   | REDD Consultation and Outreach Committee                       |
| REDD   | Reducing Emissions from Deforestation and Forest Degradation   |
| REL    | Reference Emission Level                                       |
| RoC    | Republic of Congo  |
| R-PIN  | Readiness Plan Idea Notes                                      |
| R-PP   | Readiness Preparation Proposal                                 |
| RRI    | Rights and Resources Initiative                                |
| SESA   | Strategic Environmental and Social Assessment                  |
| TAP    | Technical Advisory Panel                                       |
| ToR    | terms of reference   |
| UNDP   | United Nations Development Programme                           |
| UNDRIP | United Nations Declaration on the Rights of Indigenous Peoples |
| UNFCCC | United Nations Framework Convention on Climate Change          |
| VPA    | Voluntary Partnership Agreement                                |
| WB     | World Bank   |
| WRI    | World Resources Institute                                      |

## Executive summary

In December 2007 the World Bank launched its Forest Carbon Partnership Facility (FCPF) to act as a catalyst to promote public and private investment in 'REDD' (Reducing Emissions from Deforestation and Forest Degradation). As the FCPF completed its first year of activities in 2008, FERN and FPP undertook a critical review of the REDD concept notes presented to the FCPF by tropical forest countries. Our review, 'Cutting Corners', concluded that the process had been rushed, with little to no consultation with indigenous peoples, local communities or civil society organisations, and failed to meet the Bank's own standards.<sup>1</sup>

This report presents findings of a follow-up review. We have found that the FCPF is still failing to fulfil its social and environmental commitments, while national REDD Readiness Preparation Proposals (R-PPs)<sup>2</sup> lack sufficient plans for policy and legal reforms that would uphold forest peoples' rights, improve forest governance and reduce deforestation.

What we see emerging is a game of 'smoke and mirrors', with the World Bank and recipient governments seemingly colluding with each other to mask defects in FCPF operations and related REDD country planning. FCPF public statements, policies and guidance notes pay lip service to forest peoples' rights and local benefit sharing, yet there appears to be no real intention to put these principles into action. The R-PPs analysed lack effective measures to clarify and strengthen land tenure rights, do not support free, prior and informed consent (FPIC)<sup>3</sup>, and side-step much-needed legal and policy reforms.

Based on a critical review of FCPF documents and analyses of eight of the fifteen national R-PPs, submitted to the FCPF as of January 2011, the key findings of this review are:

- It is unclear whether specific FCPF safeguard measures are mandatory requirements or are optional at different stages of the REDD process. Rather than strengthening and implementing the Bank's safeguards, the FCPF has created a dense set of guidelines that appear to water down existing policies and obfuscate minimum standards.
- R-PPs do not contain concrete proposals to address land conflicts and outstanding land claims, and overlook serious weaknesses in national legal frameworks, especially relating to respect for customary rights, FPIC and related land demarcation and titling procedures.
- Most R-PPs rely on biased analyses of the causes of deforestation that blame indigenous peoples and local communities for forest loss and damage, without justification.

1 Dooley K, Griffiths T, Leake H, Ozinga S (2008) 'Cutting corners: World Bank's forest and carbon fund fails forests and peoples.' FERN/FPP, Moreton in Marsh, UK. [http://www.fern.org/media/documents/document\\_4312\\_4361.pdf](http://www.fern.org/media/documents/document_4312_4361.pdf)

2 See Annex II for an explanation of the stages of the FCPF, including an explanation of R-PPs

3 With the exception of the Guyana R-PP, which does mention FPIC but limits it to titled lands only

- National consultations on draft R-PPs have been either non-existent or inadequate, and core observations and proposals of forest peoples are being disregarded or only given superficial treatment, in particular recommendations relating to land and territorial rights.
- All the R-PPs reaffirm state ownership over forest lands and most focus on valuation and monitoring of forest carbon to the exclusion of livelihood, biodiversity and cultural values.
- Though R-PPs acknowledge the need for governance reforms, most confine this to the establishment of new government institutions to oversee REDD and related forest and climate programmes.

In contrast to the confused and superficial attention given to environmental and social safeguards, the proposals for Monitoring, Reporting and Verification (MRV) of carbon are well developed and well budgeted for in all R-PPs reviewed. This narrow focus on carbon measurement and monitoring means that the R-PPs reviewed lack a detailed analysis of the drivers of deforestation and governance failures, and don't address key rights and livelihood issues that should be dealt with in forest and climate initiatives.

This review concludes that with key causes of forest loss not being sufficiently addressed, failing consultation processes, a focus on measuring carbon at the cost of improving governance and a 'race to the bottom' in terms of safeguards, it is difficult to see how the national plans emerging from the FCPF funded R-PPs will contribute to reducing forest loss and ensuring respect for human rights. The current FCPF approach carries a real risk of fuelling and exacerbating conflicts.

Not only is the FCPF still 'cutting corners', it is now playing a game of 'smoke and mirrors' to distract attention from unresolved safeguard issues. At the same time the FCPF is moving ahead to create a global market in forest carbon credits, before governments have made such a decision and despite growing doubts about the risks to forests and peoples of such a market and the failures of carbon trading in general.

This report recommends refocusing the debate on action to reduce forest loss, by moving beyond monitoring carbon to monitoring improvements in forest governance and recognition of tenure rights. The report calls on the FCPF to adopt and implement principles, criteria and safeguards based on the highest standards contained in international instruments on indigenous peoples' rights as enshrined in the UNDRIP and related human rights and environmental treaties.

February 2011



## Background to FCPF

The World Bank's Forest Carbon Partnership Facility (FCPF) was developed by the Bank's carbon unit. Since its launch at the Bali UN climate conference in December 2007, other initiatives and climate funds supporting REDD have been put in place, such as the UN-REDD programme,<sup>4</sup> the World Bank's Forest Investment Programme (FIP)<sup>5</sup> and many bilateral initiatives. The FCPF is therefore posed to play a significant and pivotal role in the international architecture of REDD. The FCPF consists of two funds: the Readiness Fund and the Carbon Fund. The Readiness Fund supports countries in developing a national REDD strategy, while the Carbon Fund intends to facilitate the trading in forest carbon credits between forested countries (and sub-national entities) who sell them and investors who buy them.

Since its inception, the FCPF has been notable for the lack of clarity over safeguards and their application. Despite repeated reworking of its social, environmental and due diligence guidelines over the past three years, the FCPF has yet to commit to any minimum standards for specific points in its readiness programme, though vague commitments to apply safeguards to the 'degree applicable' were made in late 2010 (Annex III). Meanwhile, attention has shifted to the FCPF Carbon Fund, which is encouraging countries to invest in preparing for trading forest carbon credits ahead of any international decision on the inclusion of forests in carbon markets.

### FCPF participants

The number of countries participating in the FCPF has expanded rapidly since 2007.<sup>6</sup> The 37 participating REDD countries are:<sup>7</sup>

- **Latin America:** Argentina, Bolivia, Colombia, Costa Rica, Chile, Guyana, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, El Salvador, Honduras, Suriname.
- **Africa:** Central African Republic, Ghana, Gabon, Liberia, Kenya, Madagascar, Cameroon,

4 The UN-REDD Programme is a United Nations collaborative initiative between the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP). The programme was launched in September 2008 and aims to facilitate REDD readiness activities in developing countries. [www.un-redd.org](http://www.un-redd.org)

5 The Forest Investment Programme (FIP) is a programme within the World Bank's Strategic Climate Fund (a multi-donor trust fund within the Climate Investment Funds) to mobilise significantly increased funds for REDD. <http://www.climatefundsupdate.org/listing/forest-investment-program>

6 See Annex I

7 FCPF website at <http://www.forestcarbonpartnership.org/fcp/>

Democratic Republic of Congo (DRC), Republic of Congo (RoC), Ethiopia, Equatorial Guinea, Mozambique, Tanzania, Uganda.

- **Asia and Pacific:** Cambodia, Lao PDR, Nepal, Papua New Guinea, Vanuatu, Vietnam, Indonesia, Thailand.

Annex I shows how far these countries had progressed by the beginning of 2011 in the second stage of the FCPF (see Annex II for an explanation of the stages of the FCPF).

### FCPF funds

The UNFCCC meeting in Cancun in December 2010 confirmed that REDD would consist of a phased approach: phase one consists of readiness planning, phase two consists of REDD implementation and pilot REDD initiatives, and phase three consists of implementation of 'results-based actions'. Nevertheless, the Cancun agreement leaves it up to individual countries to decide which of the three phases to begin at; hence different phases could be done in parallel, and phases might even be skipped altogether.<sup>8</sup>

The FCPF Readiness Fund roughly corresponds to assisting countries in phase one and, to a lesser extent, phase two activities as envisaged in the Cancun Agreements, while the Carbon Fund is intended to be a 'pilot programme' for phase three 'results-based actions'.

The Readiness Fund provides a grant of up to US \$200,000 per country to develop a Readiness Preparation Proposal (R-PP), followed by a 'preparation grant' of up to US \$3.4 million to support actions to develop a Readiness Package (R-Package). Surprisingly, at the end of 2010, the required contents of an R-Package had 'not been defined', though the FCPF advises that it is 'likely' to contain the following elements:<sup>9</sup>

- (1) results of studies, consultations and actions implemented under the R-PP, including a summary of results of a Strategic Environmental and Social Assessment (SESA)
- (2) a national REDD strategy document
- (3) a deforestation baseline
- (4) a system for Monitoring, Reporting and Verification (MRV) of emission reductions
- (5) *preliminary* identification of potential emissions reduction activities, *possibly* including a proposed set of specific land parcels, land use activities and practices, policies; and
- (6) a *draft* Environmental Social Management Framework (ESMF).<sup>10</sup>

The draft ESMF must be 'acceptable to the World Bank' and 'should be consistent with the World Bank's safeguard policy on Environmental Assessment (OP 4.01)'.<sup>11</sup> It is expected to include a resettlement policy framework, a process framework, an indigenous peoples' planning framework and an environmental management framework (see below and Annex III for a further description of the evolving and shifting operating standards of the FCPF).

8 Draft decision CP16 (2010) 'Outcome of the Work of the Ad Hoc Working Group on Long-term cooperative action under the Convention,' December, p 11, para 74

9 FCPF (2010) 'Draft Readiness Preparation Proposal (R-PP): guidelines for preparing an RPP' v.5, 22 December. FCPF-UNREDD Programme, p 5, para 7

10 *Ibid*, pp 3–4, para 5

11 *Ibid*, pp 45–6

The FCPF's Carbon Fund, which is slated to become operational in 2011, is a public-private partnership whose goal is to pay for the Emission Reductions Programmes (ERPs) of countries (or sub-national entities) via Emission Reductions Payment Agreements (ERPAs). The ERPA will be a legal contract between a participating country (or sub-national entity) and the FCPF for the sale of forest carbon credits to the Carbon Fund. Presumably the ERPs would be based on activities outlined in the readiness stage – the R-PP and the R-Package. However, a careful analysis of the latest version of the Carbon Funds Issues Note shows that the World Bank envisages negotiating ERPAs before any significant progress on an R-Package has been made. It is likely that ERPAs will be developed in parallel with the R-Package. According to the FCPF Charter, the final approval of the ERPA is dependent on completion of the R-Package,<sup>12</sup> creating potential perverse incentives to speed up readiness and weaken requirements and standards in the R-Package, the contents of which have not been decided yet.

The commencement of negotiations on ERPAs, before the R-Package (including a national REDD strategy) has been agreed and evaluated, undermines FCPF and REDD country commitments to ensure implementation of social and environmental safeguards.<sup>13</sup>

It is also clear that by putting the Carbon Fund into operation, the World Bank has taken a decision on long-term finance for REDD involving carbon trading, in advance of any agreement on this in the UNFCCC. The FCPF intends to propose valuation methods for forest carbon during 2011. The potential for a decision on valuing forest carbon before there is any agreement in the UNFCCC on the inclusion of forest carbon trading in a climate regime runs the risk of focusing countries on preparing for a forest carbon market which may never materialise or be short lived.

Total funding available or pledged under the FCPF for the Readiness Fund is US \$205.7 million, while US \$146.8 million has been committed or pledged to the Carbon Fund.<sup>14</sup> It should be noted that the Readiness Fund contributions are grants, while the Carbon Fund investors are expecting a return on their investments – in the form of carbon credits.

### Relationship between the FIP and the FCPF

While the FCPF provides grant funding for readiness, the World Bank's Forest Investment Programme (FIP) provides larger-scale funds for the development and implementation of national forest investment strategies in selected pilot countries. These include Burkina Faso,

12 Section 6.4 (b) of the FCPF Charter reads: "The REDD Country Participants whose Readiness Package has been endorsed by the Participants Committee may submit one or more Emission Reductions Programs to the Facility Management Team for consideration by the Carbon Fund Participants in accordance with Article 12. A public or private entity from such a REDD Country Participant may also submit an Emission Reductions Program provided that such entity is approved by the REDD Country Participant"

13 FCPF (2010) 'Operating arrangements under the Carbon Finance Mechanism.' Issues Note, 22 December. For a critical analysis of the first version of the Carbon Fund Issue note, see: Bank Information Center, Friends of the Earth, Global Witness, Greenpeace (2010) 'Comments on the revised Carbon Fund Issues Note.' 12 October

14 For the Readiness Fund, the total cash contribution over 2009 and 2010 was US \$124.1 million with an additional \$81.6 million pledged. Donors to the Readiness Fund so far include France, Australia, Denmark, Finland, Japan, the Netherlands, Norway, Spain, Switzerland, the United Kingdom and the United States. Canada, Germany, Finland, Italy, and Japan have made additional pledges. As of September 2010, donors had committed a total of US\$45.1 million towards the Carbon Fund through contributions from the European Commission, Norway, Germany, the Nature Conservancy, the UK and the US. An additional US \$101.7 million has been pledged by Germany, Norway and the United Kingdom. [http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Nov2010/PA3%20b%20FY10%20Annual%20Report\\_0.pdf](http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Nov2010/PA3%20b%20FY10%20Annual%20Report_0.pdf)

Ghana, Indonesia, Laos and Peru with additional proposed FIP pilots in Brazil, Mexico, and DRC.<sup>15</sup> National forest investment strategies under the FIP set out national and sub-national investments that are meant to enable implementation of national REDD plans, which may be developed through the FCPF, UN-REDD or another process. FIP strategies are supposed to assist readiness reform actions and finance pilot REDD projects (phase two) as well as catalysing public and private funds, in support of implementation of national REDD plans that 'are transformational' in phase three.<sup>16</sup>

The relationship between investment strategies under the FIP and REDD strategies developed under the FCPF or UNREDD is still unclear and appears to vary between countries.

### Implementation arrangements for readiness plans and national REDD strategies

In 2010 the FCPF Participants Committee spearheaded an agreement among REDD countries and donor governments for the implementation of readiness grants and support of REDD actions through a range of different multilateral agencies, including multilateral development banks and UN agencies. This approach was formally adopted in November 2010, as a Multiple Delivery Partners (MDP) approach.<sup>17</sup> In November 2010, the Participants Committee agreed to test the MDP approach in up to five countries, eventually agreeing on Cambodia, Peru, Panama, Paraguay and Guyana as potential pilots.

Civil society and indigenous peoples' organisations are concerned that decisions to adopt the MDP approach in selected pilot countries could mean that the FCPF will not uphold its commitment to apply World Bank operational policies and procedures to all FCPF funded activities.<sup>18</sup> In spite of the Bank's continued public reassurance that any harmonisation of safeguards would result in higher social and environmental standards,<sup>19</sup> recent FCPF guidance and policy papers appear to show the opposite. One example of this is the new version of the R-PP template produced after Cancun where it is clear that any reference to the possibility that FCPF aligns to the UNREDD policies with reference to indigenous peoples rights (which in this case are higher than the Bank's standards, since they include FPIC) has been deleted.<sup>20</sup>

Additionally, our research has exposed a worrying trend towards the creation of favourable conditions for REDD country governments that would let them do away with stringent criteria and safeguards, including the potential option to follow a 'country systems approach' to safe-

15 Climate Investment Funds; FIP/SC.4/7, 4 June 2010. FIP Expert Group Recommendations for additional pilots under the FIP.

16 FIP design document, 2009 <http://www.climateinvestmentfunds.org/cif/node/111>

17 FCPF (2010) 'Participants Committee Resolution on Piloting Multiple Delivery Partners (PC/7/2010/4)' Seventh Meeting of the FCPF Participants Committee, 2–3 November. See also FCPF (2010) 'Piloting Multiple Delivery Partners: Pilot Country Proposals.' 19 November, Note FMT 2010-17

18 <http://www.forestpeoples.org/tags/forest-carbon-partnership-facility-fcpf-evaluation/publication/2010/ngos-highlight-serious-conc>. At the time of issuing this report (February 2011) the FCPF is holding a series of consultations under the newly established Task Force on 'common approaches' among Multiple Delivery Partners with the aim of providing a set of common principles and standards that would apply in case of delivery partners other than the World Bank. Additionally, the World Bank's safeguards for FCPF operations are currently under elaboration to be finalised and adopted by the World Bank Board, possibly in the first half of 2011. The risk surrounding this debate is that it might trigger a 'race to the bottom' to the minimum standards common to all agencies/entities engaged on REDD readiness, rather than ensuring application of the highest common principles (such as those envisaged under the UNREDD Programme)

19 It is worth noting that the Bank staff rejects FPIC on the false assumption that it is equal to Broad Community Support (BCS) despite the use of FPIC in international treaties such as UNDRIP and ILO 169

20 FCPF (2010b) 'Draft Readiness Preparation Proposal (R-PP): Guidelines for preparing an R-PP.' v. 5, 22 December. FCPF-UNREDD Programme. (Draft Guidelines, Annexes, Country Submission Template, Comparison between Oct. 30, 2010 and Dec. 22, 2010 versions) [www.forestcarbonpartnership.org](http://www.forestcarbonpartnership.org)

guards.<sup>21</sup> At the same time compliance mechanisms are being progressively diluted by using optional language that would make safeguard implementation harder to ensure, report, monitor and verify.<sup>22</sup>

### FCPF standards and procedures

More than three years after its launch, the FCPF is still developing standards for its operations and activities. Documents are regularly revised and altered, and previously agreed texts are subject to renegotiation. The template advising governments on how to compile an R-PP has undergone six drafts in three years, making it difficult to keep track of what is required and what is intended. In addition, the template for R-PPs appears to have been downgraded to 'optional guidance', with the most recent template consisting of a package of draft guidelines, annexes and a country submission template.<sup>23</sup> The latest version, issued after the December 2010 UN climate talks in Cancun and intended to integrate its conclusions, has further diluted language and requirements related to safeguards, and specifically the language on forest peoples' rights.<sup>24,25</sup>

The changing nature of FCPF guidance on how to compile R-PPs has led to uncertainty over which standards the different countries are supposed to meet in order to have their R-PP approved. While Ghana, Guyana, Indonesia and Panama have submitted a final version of their R-PPs, these have been prepared using a number of different versions of the template amidst shifting expectations. The remaining countries will presumably have to readapt and conform to the latest revised guidelines, causing confusion among governments, NGOs and indigenous peoples' organisations, and creating potential loopholes that could affect the social and environmental compliance regime of national REDD plans.

Key commitments of the FCPF are embedded in its founding charter, including commitments to uphold rights to indigenous and tribal peoples in line with the national and international obligations of REDD countries (see Annex III). With the adoption of the MDP framework, however, there are concerns that this core commitment may now only apply when the FCPF is the sole donor, and hence, the MDP framework may result in a further weakening of requirements, rather than ensuring a process of upwards harmonisation (Annex III).

### The application of social and environmental accountability tools by the FCPF

In 2009 the FCPF presented proposals to use Strategic Environmental and Social Assessments (SESA) as a tool for addressing social and environmental concerns in readiness activities.<sup>26</sup>

21 'Piloting the use of borrower systems to address environmental and social safeguard issues in Bank supported projects.' (OP/BP 4.00)

22 The Project Information Document (PID) (FCPF Readiness Fund), Concept Stage, and the Integrated Safeguards Data Sheet (ISDS) (FCPF Readiness Fund), Concept Stage, template version 10 November 2010, which are public information documents to keep a record of the way safeguards have been integrated in the R-PP if the World Bank is the delivery partner

23 FCPF (2010b) 'Draft Readiness Preparation Proposal (R-PP): Guidelines for preparing an R-PP' v. 5, 22 December. FCPF-UNREDD Programme. (Draft Guidelines, Annexes, Country Submission Template, Comparison between Oct. 30, 2010 and Dec. 22, 2010 versions.) [www.forestcarbonpartnership.org](http://www.forestcarbonpartnership.org)

24 Ibid, pp 25-6

25 For instance the whole section on UNREDD and FPIC, previously contained in the body of the R-PP template, has been deleted. The only reference to FPIC will be in an annexed set of Guidelines for Stakeholder Engagement

26 FCPF Readiness Fund (2010) 'Incorporating environmental and social considerations into the process of getting ready for REDD+.' 23 June, Note FMT 2010-16

Civil society organisations were concerned that this would circumvent the Bank's safeguard policies. Following prolonged advocacy, at the end of 2010 the FCPF confirmed that SESA was a tool for risk assessment of the different REDD policy options, and for ensuring compliance with safeguards. Hence SESA should identify which safeguards would apply to different REDD activities. As no country has yet reached the stage of developing an R-Package, it remains to be seen what the impact of SESA will be. However, since there are no robust (binding) standards to ensure that civil society and indigenous peoples' organisations participate in a meaningful and balanced way, there is a danger that the SESA will fail to properly identify possible social and livelihood impacts. Moreover, while initially the SESA was expected to be a stand-alone document, its scope has been significantly restricted since it has become an abbreviated part of the 'Guidelines for Preparing an R-PP' (see Annex II).

**Lowland forest on the traditional lands of the Achuar people in Peru. The Peru R-PP has come under severe criticism from indigenous peoples organisations.**

photo FPP



## Analysis of R-PPs<sup>27</sup>

### Lack of recognition of rights

The FCPF's charter clearly states that the operation of the facility shall respect the rights of forest-dependent indigenous peoples under national law and applicable international obligations,<sup>28</sup> and all countries whose R-PP we have analysed have endorsed the UNDRIP and related human rights instruments. It is therefore disappointing that none of these R-PPs has adequately addressed the issue of the rights of indigenous peoples and local communities.

While the language on recognition of rights of indigenous peoples and local communities is undoubtedly better than in the R-PINs studied in a previous report,<sup>29</sup> this analysis found that attention to issues of human rights was not only superficial and lacking in detail, but sometimes also potentially misleading. Most R-PPs reviewed (Peru, Panama, Nepal, Indonesia, Ghana, the RoC and the DRC) do not adequately reference UNDRIP or any of the other human rights conventions anywhere in the body of their R-PP, confining most of this discussion to the SESA terms of reference in the Annexes. The R-PPs of DRC, Peru, Panama, Indonesia and Nepal also contain no plans to respect FPIC (although Nepal notes indigenous peoples' demands for FPIC), even though all these countries are also UN-REDD countries and hence are expected to implement human rights standards as envisaged in UNREDD policy.<sup>30</sup> Ghana and Peru include the need to respect what is defined as FPIC in their R-PP, but seem to erroneously imply that 'prior consultation' can be equated with 'free, prior and informed consent' procedures.

In the Guyana R-PP (April 2010), UNDRIP is mentioned, but there are no practical plans to ensure that all actions and policies uphold minimum UNDRIP standards. In the same R-PP, the right to FPIC is still confined to titled lands only, and fails to recognise FPIC over customary lands which remain unsecured and unrecognised under legal title.<sup>31</sup> The national criteria used in Guyana to identify titled lands have been ruled discriminatory by the UN Committee for the Elimination

27 Submitted to FCPF by the end of 2010

28 Charter of the FCPF, March 2010. It should be noted, however, that the information memorandum states that "without a WB grant agreement with the REDD country participant, the WB safeguard policies will not apply" (FCPF Information Memorandum, 13 June 2008, p 27). This raises important questions as to which standard does apply if a REDD country chooses to obtain support from donors outside the World Bank (see discussion in Annex 1 and previous section on Multiple Delivery Partners (MDP))

29 Dooley K, Griffiths T, Leake H, Ozinga S (2008) 'Cutting corners: World Bank's forest and carbon fund fails forests and peoples.' FERN/FPP, Moreton in Marsh, UK. [http://www.fern.org/media/documents/document\\_4312\\_4361.pdf](http://www.fern.org/media/documents/document_4312_4361.pdf)

30 UNREDD Operational Guidance (2009) 'Engagement of indigenous peoples and other forest dependent communities.' UNREDD working document, updated version, 25 June, <http://www.un-redd.org/Home/EngagementofIPs/tabid/1033/language/en-US/Default.aspx>

31 See also Griffiths T (2009) 'Indigenous peoples and forest and climate initiatives in Guyana. FPP, Moreton-in-Marsh, UK

of Racial Discrimination (CERD).<sup>32</sup> In Panama, indigenous peoples' rights are only referred to by referencing national legislation, which recognises not a right to consent, but only to 'consultation'.

### Inadequate measures to protect land and resource rights

The World Bank has stated clearly that recognition of tenure rights is key to any effective REDD actions.<sup>33</sup> Rather than using REDD as a process to clarify unclear tenure situations and strengthen indigenous peoples' and forest communities' rights to land territories and resources, most R-PPs assessed do the opposite. In Peru the R-PP (September 2010) has been roundly condemned by indigenous and social justice organisations for its flawed analysis of land tenure in forest areas. Although the same R-PP identifies the land issue as 'critical',<sup>34</sup> and sees the main barrier to sustainable REDD+ as 'conflicts over land tenure', it contains few concrete proposals to address land conflicts and outstanding land claims.<sup>35</sup> The RoC's R-PP proposes enhancing tenure security by strengthening existing protected areas and identifying new areas,<sup>36</sup> but has no clear provisions for participatory planning. The existing protected areas in RoC were created without consultation with or respect for local communities' rights, and there are frequent conflicts between traditional inhabitants of protected areas and the so-called 'eco-guards' assigned to prohibit access to forest parks.<sup>37</sup>

The Guyana R-PP proposes that readiness should 'advance' the titling process, address 'land tenure security' and 'strengthen land and user rights', but it contains no schedule or solid commitments on titling and land tenure security.<sup>38</sup> A related land titling proposal developed by the government of Guyana in January 2011 has been designed without adequate consultation with potential beneficiaries and fails to address fundamental flaws in the titling and demarcation framework in the country.<sup>39</sup> The R-PP and related land titling proposal feature no specific plan to clarify land tenure rights in Guyana, although US \$25,000 has been allocated<sup>40</sup> to update the summary assessment on tenure.<sup>41</sup> In Indonesia, the R-PP makes no attempt to address the lack of progress on implementation of a 1999 law to recognise the rights of local communities to manage the land and forest resources where they claim customary ownership,<sup>42</sup> despite stronger recognition of indigenous peoples' rights already being recognised in the Indonesian constitution.<sup>43</sup>

32 'Concluding observations of the Committee on the Elimination of Racial Discrimination: Guyana.' CERD/C/GUY/CO/14, 21 March 2006. <http://www.forestpeoples.org/sites/fpp/files/publication/2010/08/guyanacerdconclobsmar06eng.pdf>

33 Chomitz K (2007) 'At loggerheads? Agricultural expansion, poverty reduction, and environment in the tropical forests.' World Bank, Washington DC

34 Peru REDD+ Readiness Preparation Proposal (R-PP), September 2010, p 75

35 AIDSEEP (2010c) letter to the World Bank FCPF, Technical Advisory Panel (TAP), Peruvian Ministry of Environment (MINAM) and other entities involved in the REDD Process, Lima, 30 October

36 RoC, REDD+ Readiness Preparation Proposal, April 2010 (Eng) pp 38-42

37 'Readiness Preparation Proposal (R-PP) for the Republic of Congo: a joint statement from Rainforest Foundation UK, Greenpeace and Global Witness', 24 June 2010. [http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/Joint\\_statement\\_on\\_RoC\\_R-PP\\_RFUK\\_GP\\_GW\\_June\\_2010.pdf](http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/Joint_statement_on_RoC_R-PP_RFUK_GP_GW_June_2010.pdf)

38 Guyana REDD+ Readiness Preparation Proposal (R-PP), April 2010. Activity 2b proposals (pp 8, 38, 41) and budget for addressing land tenure (p 51)

39 APA (2011) 'Comments by the Amerindian Peoples Association (APA) on the Government of Guyana project concept note on "Amerindian Land Titling and Demarcation", submitted to the Guyana REDD Investment Fund (GRIF), January

40 Ibid, p 37

41 Ibid

42 Indonesia REDD+ Readiness Preparation Proposal (R-PP) May 2009, Annex 1

43 The Indonesian constitution recognises the existence of indigenous peoples, including their traditional rights, in section 18 para 2 B, and section 28i para 3, which is also supported by the ratification by Indonesia of international human rights conventions (ICCPR, ICESCR & ICERD etc)



There is also an apparent tendency in the R-PPs reviewed to confine discussions on resource rights to proposed rights in carbon and environmental services, without robust analysis of existing property rights to land, territories and resources. Peru's R-PP notes that public consultations will involve discussions on 'property rights' in environmental services, including carbon,<sup>44</sup> and refers to achieving legal security by reducing 'ambiguity' around property rights. Ghana's R-PP questions how to make 'carbon rights' operational,<sup>45</sup> but does not say who has control over this resource and proposes consultations with 'experts' on carbon rights allocation. In Panama, the roles of indigenous peoples and local communities as forest owners and managers are not emphasised, while it is stated that the carbon is owned by the state.<sup>46</sup> In both RoC and DRC the proposals for carbon rights give a dominant role to the state, which owns most of the forest land, under existing national laws.

### REDD planning leading to centralised resource control

In all countries reviewed, there is a worrying trend towards REDD-related legal reforms that would enable increased state control over forest resources. In Peru, for example, the legal reforms already under way to promote REDD, such as the proposed legislation on Forests and Payment for Ecosystem Services (PES), would allow the government to award concessions and 'enabling titles' to third parties on so-called state forests without respecting the right to free, prior and informed consent of customary land-owners.<sup>47</sup> The same situation can be seen with Indonesia's new regulation on REDD+ which does not recognise indigenous peoples as forest-owners and restricts forest use rights by overlaying REDD rights on to an existing forest licence, meaning that indigenous peoples and local communities are required to follow the complex procedures for obtaining a standard forest licence, and then apply for an additional REDD licence, perpetuating the legacy of a totalitarian forest regime which sidelines the rights of forest peoples.<sup>48</sup> The RoC's R-PP also provides poor land tenure security for forest-dwellers and indigenous peoples,<sup>49</sup> and in PNG the recent amendment to the Environment Act threatens to remove rights from land-holders.<sup>50</sup> In all these countries access to land titles is becoming increasingly problematic for forest communities. In many countries it is easier for industrial loggers and investors to prove their land and resource rights, and consequently their rights to carbon.<sup>51</sup> This review thus finds that proposed legal amendments in REDD countries may marginalise forest peoples even further.

44 Peru REDD+ Readiness Preparation Proposal (R-PP) September 2010, p 24

45 Ghana REDD+ Readiness Preparation Proposal (R-PP) January 2010, p 46

46 Panama REDD+ Readiness Preparation Proposal (R-PP) May 2009, p 42

47 AIDSESP Statement (2010a) 'To the authorities of the executive and legislative power; regional governments and presidential candidates for 2011; World Bank, UNDP, UNFCCC and national and international community: without indigenous territories, rights and prior consultation – no REDD, forests, oil and environmental services concessions are possible.' Lima, 28 October

48 Minister of Forestry Regulation, no. P36/Menhut-II/2009. See also 'Realising rights, protecting forests: an alternative vision for reducing deforestation. Case studies from the Accra Caucus.' June 2010, p 11

49 REDD+ Readiness Preparation Proposal (R-PP) April 2010, Eng p 38, Fr p 43. The R-PP contains a proposal to reinforce tenure security and improve private users' access to natural resources (wood, mining, agriculture etc.) through increased state control. This strategy aims to address the drivers of deforestation, including slash-and-burn practices, unsustainable fuelwood production and consumption, unsustainable or illegal logging and urban development. However, the R-PP is designed in favour of the private sector (industrial loggers, mining companies) but not in favour of forest and/or indigenous communities.

50 PNG Environment (Amendment Act) 2010. Amendment legislation inserts a new Section 69A and 69B into which generally removes the right of the Landowners as resource owners to seeking independent review to Environmental Permits. For an analysis of the amendments see: <http://www.actnowpng.org/sites/default/files/BRIEFING%20PAPER%20%20enviro%20amend%202010.pdf>

51 The TAP strongly criticised the RoC R-PP on this point, and the sixth PC meeting ordered the Congo to revise this point in a second version of the R-PP.

### Failing to ensure proper consultation

The original template for developing an R-PP says that the FCPF expects the formulation and implementation process to involve a significant, forward-looking and coordinated effort to consult all major affected parties in the country about their ideas and concerns regarding REDD. This should include national consultation with stakeholders on a continuous basis for each component of the plan, a review of previous efforts to change land-use practices and patterns and their effectiveness or otherwise, and a cooperative identification of a set of

**The DRC R-PP has caused controversy as it implies expansion of industrial logging, while forest communities have not been properly consulted.**

photo John Nelson, FPP



planned measures to change land use behaviour, policies and implementation in the future. This is also highlighted as “early lessons learned and emerging good practice in R-PP” in the FCPF’s 2010 report.

Nonetheless, across all of the R-PPs reviewed, it was found that the consultation process with civil society organisations and indigenous peoples has not met the principles set out in the R-PP’s guidelines, has been limited in scope, and has failed to take on board key recommendations of forest peoples (see above).

In some countries (e.g. RoC) there has been virtually no consultation, while in others the consultation process consisted mainly of an awareness-raising exercise (Panama, Peru, Guyana and Ghana). Indonesian civil society groups have filed formal requests to their government, expressing dissatisfaction with the stakeholder engagement process to date, and asking for meaningful engagement and a transparent readiness plan development process.<sup>52</sup> In none of the countries did effective prior consultations reach the community or local level.

In all countries reviewed, there was a trend for dominance by government, industry, international consultancies and international NGOs over local NGOs and community representatives. In Panama, consultation seems to mean ‘communicating to’ and ‘educating’ stakeholders, rather than engaging in a dialogue. In Ghana, too, the R-PP emphasises the “importance of all stakeholders having prior, well informed and realistic understanding of REDD, REDD+ and the relationship with both international (UNFCCC) and national (e.g. Forest Development Master Plan) consultation processes”,<sup>53</sup> but the process did not allow for this.<sup>54</sup> RoC is another case in point, as the R-PP was written in three months with virtually no consultation. The government was ordered by the World Bank to revise the R-PP and conduct a proper stakeholder consultation, but subsequently the RoC government and the World Bank decided that they could not identify ‘who was the real civil society’ with which to engage. This was despite the fact that there was a well functioning platform of civil society organisations which had just concluded a legally binding trade agreement with the government to control illegal logging under the EU FLEGT Programme.<sup>55</sup> The exclusion of the NGOs on this platform from REDD negotiations seems therefore to be an attempt by the government and the World Bank to hinder genuine civil society participation.

In several countries, the drafting process has involved the release of multiple draft documents, often within weeks or even days of each other, causing confusion as to which is the current draft for commenting on (ROC, DRC, Peru and Guyana). The documents also contain errors in translation, as in the case of RoC, where there were significant differences between the French and English versions, including points such as the number of civil society

52 Davis C et al. (2010) ‘Getting ready: a review of the World Bank Forest Carbon Partnership Facility Readiness Preparation Proposals.’ WRI Working paper

53 Ghana REDD+ Readiness Preparation Proposal (R-PP) January 2010, p 29

54 Ibid, p 18

55 Kiyindou NC, Riesco IL (2010) ‘Logging off: a civil society counter-brief on the Republic of Congo–EU VPA.’ FERN, Moreton-in-Marsh, UK. <http://www.fern.org/node/4809>

members on the national committee and the budgets for the development of SESA guidelines.<sup>56</sup>

Finally, proposals from indigenous peoples, local communities and civil society were generally given marginal treatment or not considered at all. In Peru, consultations on the R-PP to date have failed to incorporate or act on issues regarding land tenure raised by indigenous organisations such as AIDSESP,<sup>57</sup> and recommendations of indigenous peoples' organisations, particularly in relation to land and resource rights and FPIC,<sup>58</sup> have not been acted on. Despite these problems, the FCPF decided to select Peru as one of the pilots of its Multiple Delivery Partners initiative. Other observations of civil society which have not been integrated include a request in the RoC R-PP to change the word 'pygmees', which has a negative connotation, for the term 'indigenous peoples';<sup>59</sup> while Guyana's R-PP uses offensive language regarding the 'granting' of lands to Amerindian communities<sup>60</sup> and disregards most key demands submitted by the Amerindian Peoples Association (APA) regarding Guyana's obligations under international law in relation to demarcation and titling procedures, and effective consultation processes.<sup>61</sup>

The only positive aspect is that information-sharing and awareness-raising is an important first step in good consultation processes, and the R-PPs contain some detail about how to go about this. Guyana's R-PP, for example, notes the need for simpler materials and information in native languages (OR)<sup>62</sup>, while Ghana's R-PP notes the "importance of all stakeholders having prior, well informed and realistic understanding of REDD, REDD+ and the relationship with both international (UNFCCC) and national (e.g. Forest Development Master Plan) consultation processes."<sup>63</sup>

### Narrow interpretation of governance

A recent review of R-PPs from the World Resources Institute found that "in many reviewed documents ... forest and land agencies lack adequate technical and financial capacity to carry out their mandates, but do not elaborate specific strategies to build this capacity. Instead, many authors propose creating new entities to oversee REDD+ implementation, without clearly articulating how these institutions will enhance, or relate to, existing institutions."<sup>64</sup> The same problems were found in this review, with an excessively narrow interpretation of governance

56 Republic of Congo REDD+ Readiness Preparation Proposal (R-PP) (Eng p 60, Fr p 70). The English version foresees a total of US \$247,000, while the French version gives the figure of US \$170,000 for the development of the SESA guidelines

57 Peru REDD+ Readiness Preparation Proposal (R-PP) Sept 2010, p 154

58 See, for example, 'Critical reactions to R-PP2 and frustration that core concerns of indigenous peoples have not been taken up in readiness proposals', in AIDSESP (2010c), p 2, para 2

59 Position paper, 'Plateforme Congolaise pour la gestion durable des forêts', Brazzaville, 10 June 2010 [http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/3e\\_Civil\\_Society\\_Comments.pdf](http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/3e_Civil_Society_Comments.pdf), p 3; 'Mise au point de la plateforme de la société civile congolaise pour la gestion durable des forêts', Brazzaville, 28 June 2010. [http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/Mise\\_au\\_point\\_de\\_la\\_plateforme\\_de\\_la\\_soci%C3%A9t%C3%A9\\_civile\\_congolaise\\_pour\\_la\\_gestion\\_durable\\_des\\_for%C3%AAts.pdf](http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/Mise_au_point_de_la_plateforme_de_la_soci%C3%A9t%C3%A9_civile_congolaise_pour_la_gestion_durable_des_for%C3%AAts.pdf)

60 Guyana REDD+ Readiness Preparation Proposal (R-PP) April 2010, p 23

61 See, for example, APA (2009) 'Indigenous people's rights, REDD and the draft Low Carbon Development Strategy (Guyana): a summary report of a workshop held in the Regency Suites, Georgetown, 24–6 June 2009'; APA (2009b) 'Statement of participants attending a workshop on Indigenous people's rights, REDD and the draft Low Carbon Development Strategy', (Guyana) June 2009; APA (2009c) 'APA comments on Guyana Forestry Commission's draft September 2009 R-PP', submission made in October 2009; APA (2010) 'Public Statement by participants Workshop on Indigenous People's Rights, Extractive Industries and National Development Policies in Guyana', March 2010

62 Though as of January 2011 no such accessible materials for communities had been published

63 Ghana REDD+ Readiness Preparation Proposal (R-PP) January 2010, p 29

64 Davis et al. "Getting Ready with Forest Governance. A Review of the World Bank Forest Carbon Partnership. Facility Readiness Preparation Proposals, v 1.4. WRI Working Paper." World Resources Institute, Washington DC. Online <http://www.wri.org/gfi>

leading many R-PPs to focus on new institutions, many of which are being set up specifically to trade forest carbon credits, despite the fact that there is no UNFCCC agreement that carbon markets will include forest credits,<sup>65</sup> and a growing body of evidence showing that such markets may not work for the benefit of forests and peoples.<sup>66</sup> Ghana has proposed a specific institution which will authorise project proponents to own and sell carbon credits, likening this institution to the Designated National Authority (DNA) for CDM projects.<sup>67</sup> Broader areas for reform such as participation of civil society, increased transparency and tenure reform are generally dealt with superficially (e.g. in the DRC and RoC) or not at all. Indonesia's R-PP mentions the fight against corruption and the need for transparency, but no details are provided on how these complex issues will be tackled.

Many R-PPs treat governance as a purely institutional question. In Peru's R-PP, 'governance' focuses on the administrative and decision-making framework for a national REDD programme, and in Panama the R-PP seems to concentrate 'governance' into a narrow administrative realm focused on the central government's capacity to administer carbon sequestration as an environmental service. In Guyana also, governance concerns are confined to existing institutions and new government arrangements for overseeing REDD and 'low carbon development'; the R-PP does not propose any concrete reforms in governance and institutions, and links with both the Norway–Guyana MoU process and the proposed FLEGT agreement with the EU are weak, with few practical measures to tackle illegal logging. The RoC's R-PP contains no strategy to address the weaknesses in governance; it proposes a law to define REDD+ national strategy principles and establish institutions and procedures, but without addressing the broader land and tenure reforms issues,<sup>68</sup> instead directing funds to an increase in Strictly Protected Areas patrolled by eco-guards.

According to the World Resources Institute, "Given the significance of these frequently complex and longstanding forest governance challenges, the FCPF and REDD+ countries should prioritize developing effective, independent systems for monitoring REDD+ planning and implementation."<sup>69</sup> In line with this, several of the R-PPs contain proposals for an independent review to promote transparency among stakeholders, including an independent forest monitor, and monitoring of the benefit-sharing and poverty reduction impacts (DRC and Nepal). Given that many of the countries evaluated here are already part of the FLEGT process with the EU (RoC, Ghana, Indonesia, Guyana), the lack of reference to both FLEGT and the need for independent monitoring systems is surprising. Despite the RoC having an independent forest monitor, their R-PP includes little discussion on how to extend this system to encompass REDD activities.

Furthermore, there are no clear answers to fundamental questions such as exactly what needs to be monitored, who will oversee the system, who will participate, and how it will be inte-

65 FERN Forest Watch Special Report – UNFCCC Climate talks, Cancun, December 2010. <http://www.fern.org/sites/fern.org/files/Cancun%20update.pdf>

66 Karsenty A (2009) 'What the (carbon) market cannot do.' CIRAD Perspective No. 1; IUFRO (2011) 'Embracing complexity: Meeting the challenges of international forest governance. A global assessment report.' IUFRO World series, v. 28. <http://www.iufro.org/science/gfep/forest-regime-panel/report/>

67 Ghana REDD+ Readiness Preparation Proposal (R-PP) January 2010, p 62

68 Republic of Congo REDD+ Readiness Preparation Proposal (R-PP) April 2010, pp 50–51

69 Davis C et al. (2010) 'Getting ready: a review of the World Bank Forest Carbon Partnership Facility Readiness Preparation Proposals', v 1.4. WRI Working Paper. World Resources Institute, Washington DC. <http://www.wri.org/gfi>

grated into a comprehensive national monitoring system and the broader REDD+ strategy. By contrast, most R-PPs include a detailed section on carbon monitoring systems. The emphasis on quantifying and monitoring emissions continues to sideline core governance issues that will need to be addressed – and monitored – in order for countries to be successful in reducing deforestation and forest degradation while ensuring adherence to social and environmental safeguards.<sup>70</sup>

### Biased analyses of the causes of deforestation

There is a growing consensus that any efforts to tackle deforestation must begin with a thorough analysis of the direct and underlying causes which drive forest loss. Recent research from the International Union of Forest Research Organizations (IUFRO) says that global efforts to slow forest loss have too often ignored local needs, while failing to address the most fundamental challenge to forest management: that deforestation is often caused by economic pressures imposed from outside the forests.<sup>71</sup> This finding is corroborated by the Rights and Resources Initiative (RRI), which states that many underlying causes reside in society at large and not at forest sites. Hence it makes no sense to focus only on local or national initiatives.<sup>72</sup>

Despite this, all R-PPs studied failed to reflect the wealth of evidence about the direct and indirect drivers of deforestation. Most of the R-PPs examined blame rural farmers and subsistence agriculture as either primary (Panama, Guyana, Peru, Indonesia, DRC, RoC) or secondary (Ghana) causes of deforestation, ignoring the rights held by forest-dependent peoples to subsistence and maintenance of their traditional practices. In Panama's R-PP, 'slash-and-burn' agriculture is seen as a key driver of deforestation, requiring action to provide alternatives, with the R-PP stating that "environmental businesses and investments constitute an alternative to conventional slash and burn practices".<sup>73</sup> Ghana's R-PP says that farmers favouring short-term benefits is a risk factor in deforestation, while Guyana's R-PP proposes that readiness will involve community consultations on sustainable 'Alternative Economic Opportunities', and that final decisions on how REDD will affect swidden farming will be postponed until studies on emissions from traditional agriculture are carried out and relevant UNFCCC rules are finalised.<sup>74</sup> In fact, it seems that many governments see the objective of REDD as transforming local farming and other livelihood practices, with the R-PPs of Panama, Indonesia and Ghana providing detailed plans for alternative livelihoods and technology transfer to boost agricultural production.

Other R-PPs assume that rural livelihoods are 'at risk' from future forest protection under REDD, betraying continued reliance on an outdated exclusionary approach to conservation among REDD policy-makers. Whilst aims to increase productivity in local farming systems may in itself be a good thing, if done properly, the approach proposed in the R-PPs seems designed to

70 Global Witness (2010) 'Independent monitoring of REDD+: increasing transparency, accountability and civil society engagement.' October. <http://www.globalwitness.org/IMREDD>

71 IUFRO (2011) 'Embracing complexity: Meeting the challenges of international forest governance. A global assessment report.' IUFRO World series, v. 28. <http://www.iufro.org/science/gfep/forest-regime-panel/report/>

72 <http://www.slideshare.net/rightsandclimate/issues-of-effectiveness-efficiency-and-equity-in-redd-implementation-presentation>

73 Panama REDD+ Readiness Preparation Proposal (R-PP) May 2009, p 38

74 Guyana REDD+ Readiness Preparation Proposal (R-PP) April 2010, p 40

eliminate, not strengthen, traditional farming systems. In addition, analysis of the R-PPs raises the question as to what is being done to tackle the industrial drivers of deforestation, and to what extent these are being ignored.

The second common barrier to correctly identifying the drivers of deforestation is lack of data. The first version of Peru's R-PP received severe public criticism for its flawed analysis of drivers.<sup>75</sup> The revised R-PP admits that existing deforestation data are out of date, and that new information has not been validated.<sup>76</sup> The RoC R-PP contains no data on the estimated volume of commercial timber extracted from the forests, the volume of trees damaged by this extraction, the gap between taxes collected and volume extracted despite the existence of detailed studies and statistics on these topics,<sup>77</sup> yet three of the four proposed studies on drivers of deforestation in the R-PP look at the role of poor people as the primary agents of deforestation.<sup>78</sup>

In the R-PPs of Guyana and Peru there are plans for a detailed study on the direct and indirect causes of forest loss.<sup>79</sup> These studies are essential to uncover the real drivers of deforestation, although their usefulness will depend on how the studies are done, how local people can participate and how the findings are validated. Peru's R-PP also addressed some underlying causes by referencing the contribution of flawed property titles.

A further disturbing trend in a number of the R-PPs reviewed (Indonesia, Panama, DRC and Guyana) is the reliance on abatement cost curves, the purpose of which is generally to determine the economic viability of implementing the REDD mechanism as a low cost mitigation option. Abatement cost curves, which aim to determine the least-cost option for the greatest emissions reduction potential, will almost always result in blaming the rural poor for deforestation, as implementing measures to halt small-scale and subsistence agriculture carries an economically lower price than halting industrial logging or even addressing illegal logging with its myriad socio-economic causes. Indonesia's National Climate Change Council (DNPI) has released a set of reports which include a greenhouse gas (GHG) abatement curve analysis, which concludes that smallholder agriculture is the single most cost-effective abatement opportunity for REDD in Indonesia.<sup>80</sup>

Similar abatement cost curves for REDD are being used for Panama, the DRC, PNG, Guyana and Brazil. In DRC, the R-PP refers to an exploratory study of REDD+ potential produced by McKinsey consultants, proposing different options and presenting a 'cost/opportunity curve'.<sup>81</sup> This study

75 AIDSESP (2010e) 'AIDSESP letter to the Ministry of Environment (MINAM) regarding the April 2010 draft R-PP', 7 May. <http://www.forestpeoples.org/sites/fpp/files/publication/2010/08/peruaidesepletgovtrreddmay10sp.pdf>

76 Peru REDD+ Readiness Preparation Proposal (R-PP) September 2010, p 10

77 Readiness Preparation Proposal (R-PP) for the Republic of Congo: a joint statement from Rainforest Foundation UK, Greenpeace and Global Witness, 24 June 2010. [http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/Joint\\_statement\\_on\\_RoC\\_R-PP\\_RFUK\\_GP\\_GW\\_June\\_2010.pdf](http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/Joint_statement_on_RoC_R-PP_RFUK_GP_GW_June_2010.pdf)

78 Republic of Congo REDD+ Readiness Preparation Proposal (R-PP) April 2010, Eng p 33-34

79 Guyana REDD+ Readiness Preparation Proposal (R-PP) April 2010, pp 52, 66

80 DNPI, Indonesia Green House Gas Mitigation Study September 2010. "REDD represents a combined abatement opportunity of more than 570 MtCO<sub>2</sub>e, of which stopping forest conversion to smallholder agriculture is the single largest opportunity at slightly more than 190 MtCO<sub>2</sub>e." p 20. The report recognises that "those costs could significantly increase if transaction costs are included due to the sheer size of Indonesia and the complexity of changing cultivation habits of tens of millions of smallholders". [http://www.dnpi.go.id/index.php?option=com\\_content&view=section&layout=blog&id=4&Itemid=4](http://www.dnpi.go.id/index.php?option=com_content&view=section&layout=blog&id=4&Itemid=4)

81 Democratic Republic of Congo REDD+ Readiness Preparation Proposal (R-PP) July 2010, p 51

suggests low opportunity cost for replacing 'slash and burn agriculture', which remains in the R-PP despite serious criticism from local and international civil society.<sup>82 83</sup>

### Benefit-sharing mechanisms undeveloped

It is important to develop equitable benefit-sharing mechanisms, in order to ensure that any payments for reducing deforestation benefit those who live in and are dependent on the forests, avoid conflict, and ensure permanent reductions in deforestation. In the R-PPs of Peru, Guyana, DRC, RoC and Ghana, there are proposals for equitable and fair benefit-sharing, but no details on how these will be developed, or more importantly how stakeholders and rights-holders will be consulted on the design of benefit-sharing arrangements. This issue was not addressed in the other R-PPs reviewed.

### Narrow focus on Monitoring, Reporting and Verification of carbon

In contrast to the confused and superficial attention given to environmental and social safeguards, and the potential risks from REDD, across all the R-PPs reviewed the proposals for Monitoring, Reporting and Verification (MRV) of carbon are well developed and well budgeted for. In each R-PP, this section stood out for its attention to detail, clarity (for the most part) and coherence between planned activities and budgeting. The R-PPs from Peru, Panama, Guyana, DRC, RoC and Ghana are all detailed in the attention given to the MRV of carbon.

Although several R-PPs acknowledge that the source of long-term finance for REDD is as yet undecided at the UNFCCC (e.g. Ghana), the focus is still on monitoring forest carbon fluxes in preparation for carbon trading (Peru, Panama, DRC, RoC, Indonesia and Ghana). Many R-PPs refer to public and private finance (Peru, RoC, Ghana), yet the emphasis is on infrastructure to measure carbon, which seems to be geared towards trading of forest carbon credits. This emphasis on measuring carbon can also be traced to the next anticipated step for these countries, which is to develop an ERP in order to be able to sell forest carbon credits to the FCPF's Carbon Fund.

The attention given to MRV of forest carbon is at the expense of a detailed analysis of governance failures, the drivers of deforestation, and participatory and rights-based planning and approaches to address these critical issues. While in many countries there is a need to increase the availability and accuracy of forest data, improving national forest inventories and mapping forest biomes is not the same thing as establishing methodologies and institutions for the MRV of carbon stores and fluxes in a forest, as is proposed in most R-PPs.

82 Readiness Preparation Proposal (R-PP) for the Republic of Congo: a joint statement from Rainforest Foundation UK, Greenpeace and Global Witness, 24 June 2010. [http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/Joint\\_statement\\_on\\_RoC\\_R-PP\\_RFUK\\_GP\\_GW\\_June\\_2010.pdf](http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/Joint_statement_on_RoC_R-PP_RFUK_GP_GW_June_2010.pdf)

83 Regarding this exploratory study, the TAP notes: "The transaction and implementation costs of a REDD+ program should be included in the cost curve before making extensive use of the curve (as is done in the latter sections of this R-PP) in preparing the REDD Strategy. No details of the McKinsey study are provided, typically such studies estimate the techno-economic potential, which does not explicitly account for the transaction and implementation costs of a REDD+ program. These two components can significantly increase costs, reduce the emissions reduction potential, and add to the time it takes to implement a REDD program thus affecting a country's REDD+ strategy." Revised FCPF TAP Synthesis Review of R-PP of Democratic Republic of Congo, 17 March 2010. [http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Mar2010/DRC\\_R-PP\\_Revised\\_TAP\\_Synthesis\\_Review%20\\_March\\_17\\_2010%20.pdf](http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Mar2010/DRC_R-PP_Revised_TAP_Synthesis_Review%20_March_17_2010%20.pdf)



None of the R-PPs reviewed indicated any kind of proposal to analyse the different financing options, or proposed a public debate on the pros and cons of carbon trading. Panama proposes a new REDD fund, funded by the sale of carbon credits on the global carbon market (without any analysis of the risks associated with this market). There is a clear need for impartial information and public discussion on the pros and cons of trading forest carbon offsets, so that governments, civil society and forest dependent communities can make up their own mind as to the feasibility and potential impacts of finance for forests raised through the sale of offset credits. In light of the recent REDD agreement in the Cancun climate talks,<sup>84</sup> where no formal decision was taken on finance options, it would seem logical for countries to keep their finance options open and avoid overinvesting resources into the detailed MRV of forest carbon stocks and fluxes which is only needed for carbon trading.

84 Draft decision -/CP.16, 'Outcome of the work of the Ad Hoc Working Group on long-term Cooperative Action under the Convention', p 12. [http://unfccc.int/files/meetings/cop\\_16/application/pdf/cop16\\_lca.pdf](http://unfccc.int/files/meetings/cop_16/application/pdf/cop16_lca.pdf)

**Kuna women attending a Kuna General Congress meeting in Panama. The Panama R-PP does not sufficiently address land tenure conflicts.** photo Fundación para la Promoción del Conocimiento Indígena



| Country                                       | Human rights<br>Including indigenous peoples' rights   | Land and tenure  | FPIC and public consultation  | Governance<br>Issues addressed  |
|---|--|--|---|---|
| <b>Peru</b><br>Version Sept 2010 <sup>i</sup> | <p><b>Weak:</b> Inadequate protection for the rights of indigenous peoples<sup>ii</sup> with rights recognition mainly confined to protection under national laws (pp 9, 68). Discussion of international treaties omits many human rights instruments (pp 67-8). Development policies violate these international norms (e.g. forestry, mining, and energy legislation).</p> <p>The R-PP highlights legal reforms under way to promote REDD+ (p 61). Proposed future legislation on forests is in contradiction of Peru's international obligations to uphold human rights, including the rights of indigenous peoples.<sup>iii</sup></p> | <p><b>Weak:</b> Whilst the R-PP defines the main barrier to REDD+ as 'conflicts over land tenure', it fails to address outstanding territorial claims (land claims of at least 347 indigenous communities remain unresolved) and contains few concrete proposals to address land conflicts and outstanding land claims.</p> <p>The R-PP budget (pp 9–10) does not include funds for land demarcation and titling, though under Activity 2a.1 there is a modest budget (US \$28,000, increased to \$99,000 in Jan 2011 R-PP) for a 'diagnostic' study of land tenure and use, including an analysis of land conflicts (p 53). However, on p 68, the state asserts ownership over all forests in Peru.</p>                   | <p><b>Partial:</b> There is a reliance on multi-stakeholder REDD+ round-tables at the national and regional levels (pp 9, 21–9, 63), but these spaces tend to be dominated by government, industry and environmental NGOs. Indigenous concerns are often not adequately considered.<sup>iv</sup></p> <p>Proposes developing and implementing a 'Plan for Consultation and Participation' (p 34) as part of readiness for REDD. US \$2.3 million is proposed for funding these activities (p 16).</p> <p>Treatment of FPIC is ambiguous in the R-PP, with the concept of free, prior and informed consultation being applied (pp 9, 29).</p> <p>The right to consent is mentioned, but the R-PP seems to confine this to the flawed draft Prior Consultation Law as amended by the government. The Jan 2011 R-PP (p22) continues to promote this defective version of the proposed law, which falls short of legal protections guaranteed under ILO 169 and related HR instruments ratified by Peru.</p> | <p><b>Partial:</b> The main focus of governance plans centres on the administrative and decision-making framework for a national REDD programme.</p> <p>Potential conflicts between the roles of government authorities for agriculture, transport, mines, energy and protected areas are not addressed.</p> <p>The proposed revised Forests law (N.04141/2009-PE) fails to adequately recognise the role of indigenous representative bodies in forest management and governance.<sup>v</sup></p>  |
| <b>Guyana</b><br>Version April 2010           | <p><b>Partial:</b> Notes that REDD would be implemented (not deigned) 'in keeping with' UNDRIP, but elements of the R-PP contradict UNDRIP norms (e.g. on land rights).</p> <p>An assessment of international treaty obligations through a legal and policy review is supposed to be part of the SESA (Annex, pp 92-8).</p>  | <p><b>Partial:</b> Existing legal titles are recognised and the R-PP contains a proposal to extend the titling process to untitled communities, though this is not elaborated in any detail (pp 8, 28) and defects in official procedures to titling Amerindian lands due to shortcomings in the 2006 Amerindian Act are not addressed (pp 23-4, 28).</p> <p>Activity 2b identifies efforts to 'advance' the titling process, address 'land tenure security' and 'strengthen land and user rights', but no schedule or solid commitments on titling and land rights are contained in the R-PP (pp 8, 38, 41) – other than a vague proposal to allocate US \$110,000 to 'address matters regarding land tenure' (p 51).</p> | <p><b>Partial:</b> FPIC is included as a key principle on titled lands (p 15), but is not extended to untitled lands, though the R-PP claims that FPIC applies on such lands where protected areas may restrict rights and 'privileges' (sic) of indigenous peoples (p 25). R-PP treatment of FPIC is disconnected from LCDS 'opt-in discussions'.</p> <p>The R-PP does not take up recommendations for an independent Amerindian Lands Task Force; a specific Amerindian consultative body on REDD and LCDS; support for Community Conserved Territories; and public information and consultation on Forests Act and draft Protected Areas Act.<sup>vi</sup></p> <p>A REDD Consultation and Outreach Committee (RCOC) committee is proposed but consultation had not started by Nov. 2010.</p>   | <p><b>Incomplete:</b> Other than setting up the National REDD Working Group and REDD Secretariat (the latter within GFC), the R-PP does not propose any concrete reforms in governance and institutions and proposed measures to tackle illegal logging are lacking.</p> <p>Measures to combat corruption are not put forward directly in the R-PP.</p>   |
| <b>Panama</b><br>Version May 2009             | <p><b>Weak:</b> No reference to international standards on human rights and indigenous peoples' rights such as UNDRIP. Indigenous peoples' rights are only referred to by quoting national legislation on indigenous peoples (pp 17-18, 77).</p>   | <p><b>Incomplete:</b> Land tenure issues are not addressed properly. It is recognised that there is a diagnostic of issues affecting land and forests, including "the takeover of land and speculation by agribusinesses and other firms" (p 10).</p> <p>No recognition of current conflicts, in spite of the fact that two Inspection panel claims on PRONAT filed in 2009 by the Buglé and Naso Peoples show allegedly serious shortcomings and irregularities in land titling process.<sup>viii</sup></p>   | <p><b>Weak:</b> No mandatory requirement for free, prior and informed consent (FPIC). ANAM and other authorities carried out limited prior consultations with the indigenous authorities, but there is no mention of the principle of FPIC (pp 27-8). Further, Panamanian law does not explicitly recognise FPIC but rather 'consulta previa' (Law 41 of 1998).</p> <p>Data from a consultation with Indigenous Peoples was included in an annex to the Environmental Plan, but not well integrated in the R-PP.<sup>ix</sup></p> <p>Consultation in preparation of the R-PP was very limited. R-PP envisages a communication strategy that entails some consultation with stakeholders and IPs (p 28)</p>  | <p><b>Partial:</b> The quick assessment on governance lists legislation that is relevant to forest resources and administration. Responsibility for forest administration is with ANAM (The Ministry of the Environment) that has competence to implement carbon sequestration projects (pp 9, 76).</p> <p>Panamanian legislation recognises carbon capture as an environmental service and establishes the powers of the State with respect to the management and administration of said services, since they derive from assets pertaining to its heritage</p> <p>Governance is also mentioned with reference to the transformation of environmental culture (p 55)</p> |

| <b>Underlying drivers</b><br>Who is blamed for deforestation?   | <b>Risk analysis</b><br>Are potential environmental/social risks addressed?  | <b>Monitoring, reporting and verification</b><br>Of what?  | <b>Financing mechanism and local benefits</b>  |
|---|--|--|--|
| <p><b>Partial:</b> The analysis of the direct and underlying causes of deforestation does identify some underlying drivers (e.g. flawed property title laws). The Jan 2011 R-PP, advises that ‘special account’ will be taken of indigenous peoples’ traditional practices of agricultural rotation “with a view to” conserving livelihoods and way of life (p 8), but this is not mentioned explicitly in the section on causes of deforestation.</p> <p>Large-scale extractive industries and illegal logging are not considered major drivers, though they are noted in the summary analysis (Tables 2a-4a, 2a5) while ‘slash and burn’ agriculture is identified as a major driver (pp 5, 40).</p> <p>There is recognition that existing deforestation data are out of date, and US \$42,000 is budgeted for a study of the direct and indirect causes of deforestation in Peru as part of the readiness activities (p 16).</p> | <p><b>Missing:</b> No direct risk analysis in the R-PP. This topic is left to the implementation of the SESA activity during R-PP execution (p 77). R-PP2 proposes that the SESA will be fully participatory (p 76) and identifies a risk of lack of support from indigenous organisations due to ‘mistrust’, that it is proposed will be overcome through improved consultation (Table 2b-1).</p> <p>Potential costs and adverse impacts of REDD+ on communities are not discussed in any meaningful way, though the R-PP notes that these need to be discussed in public consultations (p 153).</p>  | <p><b>Significant:</b> Part of the R-PP (pp 86-94) contains plans to develop a National System for Generating Data for a National GHG Inventory (SNIGEI) in order to carry out national and local carbon accounting (p 65).</p> <p>The main focus is on measuring and monitoring forest carbon stocks (p 89), but assessments will also include an assessment of biodiversity and other ‘ecosystem service’ values as part of the National Forest Inventory (pp 88, 93).</p> <p>Monitoring of social impacts and ‘co-benefits’ will be developed ‘gradually’, including monitoring of impacts of sub-national voluntary projects (pp 93-4).</p>  | <p><b>Vague:</b> The R-PP notes in passing that finance may be public and private (p 11) but GoP appears to back carbon markets (p 74). Readiness will include actions to ‘promote private and public investment’ in REDD+ (p 66).</p> <p>‘Uncertainties’ (pp 12, 67) in the carbon market are dealt with in terms of private sector investor confidence and ‘barriers to investment’, rather than economic and scientific flaws in carbon offset mechanisms (p 74).</p> <p>The R-PP plans to fund development of a ‘proposal’ for equitable and fair benefit-sharing (p 74), but no details are given (Activity 2.c.6), and linkages between benefits and tenure issues are not explicit.</p> |
| <p><b>Partial:</b> The R-PP states that “The REDD+ strategy will address the causes of deforestation, including drivers in the mining, infrastructure, agriculture and forest sectors” (p 39). The R-PP does not contain any robust analysis of the direct and indirect causes of deforestation, though a study is planned on ‘drivers of deforestation’ (pp 41, 66).</p> <p>Landowners, communities and ‘agriculture’ are seen as ‘key drivers of deforestation’, though reasoning and evidence is not explained I (p 70, point 4).</p> <p>The R-PP promises in depth review of deforestation through an assessment of drivers of forest loss and damage during the readiness phase (p 67).</p>  | <p><b>Partial:</b> The R-PP notes Note that the WB IP Policy (OP4.10) and Involuntary Resettlement Policy ‘appear applicable’ as well as Environmental Assessment (OP 4.01); Natural Habitats (OP 4.04); Forests (OP 4.36) and Physical Cultural Resources (OP) (p 53). Why these safeguards may be triggered is not spelled out anywhere.</p> <p>There is discussion of safeguards issues in relation to SESA (pp 52-5), but the outline TORs for the SESA are weak. As late as November 2010 rights-holders in Guyana had not been consulted on the TORs for the SESA, and there was insufficient information on REDD+ available at the community level to enable SESA consultations which the Bank recognises will be “a critical prerequisite to meaningful consultation”.<sup>vii</sup></p> | <p><b>Significant:</b> This section of the R-PP is detailed and is focused on monitoring forest carbon stocks and forest cover (p 62 ff).</p> <p>The R-PP contains a ‘road map’ for developing a national MRV system for REDD (developed at a workshop with international experts), including independent review to ensure participation and transparency among different stakeholders (pp 65, 68, 72, 90).</p> <p>Options for hiring an independent forest monitor are noted in the R-PP, but specific commitments are not detailed (p 28).</p> <p>The R-PP proposes allocating US \$25,000 to the development of a protocol to “deal with complaints and conflict resolution” (p 86).</p>                  | <p><b>Incomplete:</b> Carbon trading is adopted as the future finance mechanism (with interim grant support beforehand) without any options assessment of alternative mechanisms</p> <p>There is a mention of equitable and just benefit-sharing with Amerindian communities (p 8), and it is proposed that ‘stakeholders’ (sic) will be involved in the “development of an equitable benefits sharing mechanism” (p 16).</p>  |
| <p><b>Partial:</b> R-PP fails to properly address the wider array of drivers of deforestation, incorrectly putting the blame on traditional agriculture with ensuing risk for Indigenous knowledge and traditional livelihoods (p 76).</p> <p>Identifies six drivers of deforestation: traditional and mechanised agriculture; extensive cattle-ranching; unsustainable forest management; ill-planned urban development; low level of environmental awareness.</p> <p>No reference to infrastructure development for instance as one of the key threats to forests (p 76).</p>   | <p><b>Weak:</b> No assessment of potential environmental and social risks other than reference to ANAM’s environmental management model based on the Integrated Management of Water Basins (pp 38-9).</p> <p>No reference to safeguards, nor to the way these will be addressed.</p> <p>The R-PP proposes a cost-benefit Analysis of the implementation of REDD (pp 40-1).</p>   | <p><b>Significant:</b> A whole section is dedicated to MRV (Chapter 8, pp 64-75), notably on monitoring, assessing and verifying the National Environmental Strategy with focus on monitoring of carbon, forest cover and land use change as well as biodiversity.</p> <p>As far as social monitoring is concerned, no specific detail is provided other than the provision to hire a specialist to develop indicators to be used for the purpose. Final outcome would be the availability of ‘an environmental and social monitoring system, complete with reliable indicators’ (p 72), but there is no timeframe envisaged to complete this system nor details on how this will be put into operation.</p> | <p><b>Incomplete:</b> A new REDD fund would be created with proceeds coming from the sale of carbon credits on the market. Funds would be managed by the Ministry of Finance, since the property in carbon belongs to the State (pp 42-3).</p> <p>No reference to the pros and cons of carbon trading.</p> <p>Discussion on benefit sharing for activities within indigenous territories. The General Environmental Law envisages consultation with indigenous peoples to define sharing of benefits from the use of natural resources in indigenous lands, with a view to conclude agreements between State and IPs (pp 17-18).</p>   |

| Country                               | Human rights<br>Including indigenous peoples' rights  | Land and tenure  | FPIC and public consultation  | Governance<br>Issues addressed   |
|---------------------------------------|---|--|---|--|
| <b>Indonesia</b><br>Version May 2009  | <p><b>Partial:</b> Notes that implementation of laws to recognise customary rights has been poor,<sup>x</sup> but does not address improving the implementation.</p> <p>Seeks to develop guidance for effective engagement of Indigenous peoples and local communities, noting that 'adequate involvement of these groups in the implementation of programs will be key', but does not refer to involvement in design, nor gives details.</p>   | <p><b>Incomplete:</b> Does not make reference to existing tenure or land conflicts.<sup>xi</sup> Does not set out mechanisms to reform or review tenure.</p> <p>Definition of ownership and transfer of carbon rights are mentioned as a potential activity in the REDD framework. There is no information on control of the resource or whose rights in carbon will be recognised.</p>  | <p><b>Poor:</b> International obligations relating to IPs, such as FPIC, are not mentioned or addressed.</p> <p>Consultation with civil society has been poor, with invitations sent out to too few participants one or two days before meetings, and no documents available before the meetings.</p> <p>There has not been any clear process nor effective national platform established by the government to consult on REDD and none of the documents regarding the FCPF have been made available in Bahasa Indonesia.</p>   | <p><b>Partial:</b> Fight against corruption is mentioned, as is the need for good governance, including transparency. Details are lacking. The R-PP cites initiatives already under way,<sup>xii</sup> and does not suggest ways to strengthen these activities.</p> <p>Highlights improved law enforcement and recommends enforcing laws against illegal logging although there are few references to FLEGT.</p> <p>The overlapping mandates and competition between government departments, and a lack of coordination between central and provincial governments is apparent in the R-PP.</p>   |
| <b>Nepal</b><br>Version 19 April 2010 | <p><b>Weak:</b> No discussion of indigenous peoples as rights-holders, only as one of many stakeholders.</p> <p>Issues of ownership and tenure rights for all types of forest management need to be resolved during R-PP implementation (p 46).</p>   | <p><b>Partial:</b> The tenure situation of indigenous peoples is not explicitly addressed. Although the R-PP does state that the principle of FPIC will be applied to REDD activities (p 22), there seems little understanding of the tenure situation for indigenous communities.</p> <p>Carbon rights are directly addressed and it is stated that "carbon rights should be linked to land and forest tenure rights to minimize complexities and there will be a less direct link between forest management responsibility and the potential benefits from carbon trading" (p 46).</p> <p>The framework for REDD implementation will establish the regime for carbon rights based on the principle of linking it to existing resource rights (p 45).</p> | <p><b>Weak:</b> Participation of indigenous peoples is confined to Component 1, in the other five components there is little or no mention of the specific needs of indigenous peoples; provisions for 'multi-stakeholder' involvement consistently fail to mention either rights-holders or indigenous peoples.</p> <p>However, the R-PP does acknowledge that "Indigenous peoples demanded to secure for Free Prior and Informed Consent (FPIC) over any policy and program on climate change and REDD process that would affect their sustainable livelihood and fundamental rights" (p 19).</p> <p>All objectives for the consultation plan concern 'enabling beneficiaries to participate', and there is no consideration of non-participation or involvement in deciding whether REDD goes ahead in particular areas.</p> | <p><b>Weak:</b> The involvement of indigenous peoples in REDD governance was in the REDD Working Group (secondary body after the 'Apex Group' of Ministers). Through NEFIN, there was room for one indigenous representative. The R-PP has changed this to two representatives from civil society and no specific allocation for indigenous peoples (p 12)</p> <p>At a local level, governance is foreseen through the existing forest user groups. The R-PP proposes convening national round-table meetings to involve "non-forestry ministries and government bodies" (p 26).</p> <p>The R-PP notes that the upcoming process to develop a new constitution will probably have far-reaching governance implications for forests (p 13).</p>   |
| <b>DRC</b><br>Version 15 July 2010    | <p><b>Weak:</b> No explicit reference to instruments of international human rights law signed or ratified by the DRC<sup>xiii</sup> or reference to UNDRIP in the R-PP itself.</p> <p>The ToR for a study on cross-cutting or transversal legal reforms refers to international human rights instruments<sup>xiv</sup> (Annex 2c-2, p 132), as does the ToR of the SESA (Annex 2d, p 134)<sup>xv</sup>.</p> <p>SESA refers to DRC's agreement with international conventions and bilateral accords on environment (p 72, Annex 2d).</p> | <p><b>Inadequate:</b> Although land tenure is recognised as problematic, the R-PP fails to recognise land tenure as a source of violent conflict, political strife, displacement and humanitarian crisis in the DRC.</p> <p>Proposes addressing land tenure via an analysis of the legal and institutional framework reviewing existing texts and practices, including a consultative process (p 67).</p> <p>Recognition that a participatory national forest zoning plan is necessary, but relies on pilot projects (pp 61-2) as the cornerstone of its REDD strategy.</p>  | <p><b>Partial:</b> The R-PP states that it can be considered as a 'consensual' plan since it is claimed that the process has been closely followed by the civil society working group on REDD (p 11) (claims that are challenged by many forest communities and support NGOs).</p> <p>In practice, the national REDD coordinator has admitted that the consultations have not been duly organised in the entire country due to financial constraints.<sup>xvii</sup></p> <p>The national REDD coordinator plans to oversee a consultation/participation process (pp 32-3) with continuous consultations, workshops and a mid-term review in late 2011 offering opportunities to give feedback and make adjustments (p 148). Reports of previous consultations are available upon request (p 30).<sup>xviii</sup></p>            | <p><b>Partial:</b> The R-PP says that REDD is part of active reforms in forest and other sectors including national planning and governance building (p 66), although elsewhere the DRC government makes it explicit that REDD is not about addressing fundamental governance reforms.<sup>xix</sup></p> <p>Introduction of payment based on results including governance reforms (particularly land issues, transparency, and participative zoning) (p 103).</p> <p>The R-PP includes ToR for an ambitious study on cross-cutting reforms needed on land tenure, land use and law enforcement (Annex 2c-1, pp 124-33), tackling ongoing legal reforms and defining future policies and priorities, although the time-frame of this study was unrealistic (the deadline was June 2010) (p 133).</p> <p>No reference to the DRC 2007 'Governance Contract' which sets the government's priorities in terms of specific reforms including the fight against corruption and the management of natural resources.<sup>xx</sup></p> |

| Underlying drivers<br>Who is blamed for deforestation?   | Risk analysis<br>Are potential environmental/social risks addressed?   | Monitoring, reporting and verification<br>Of what?   | Financing mechanism and local benefits  |
|--|--|--|---|
| <p><b>Partial:</b> Plan mentions planned and unplanned deforestation. Planned deforestation is due to government development plans for agriculture. Unplanned deforestation is attributed in part to forest dependent people, and is linked to poverty. The solution offered is for REDD-related financial resources to finance programs that will help to create alternative and sustainable livelihoods (p 28).</p> <p>The R-PP claims that communities are a source of pressure on forest land in Indonesia, and that schemes to improve livelihoods of forest-dependent peoples have failed in the past because they have failed to pull people away from livelihoods where they are dependent on forest resources (p 6).</p>  | <p><b>Partial:</b> Schedule and sequencing of activities at the local government level includes assessing trade offs and risks of REDD to sustainable development.</p> <p>The R-PP makes limited references to conflict in Annex 1, despite there being many cases of such conflict. It does not detail any strategies for dealing with tenure conflicts.</p>  | <p><b>Narrow:</b> Most attention is given to monitoring of forest area and carbon stocks, with no consideration of broader monitoring needs. The R-PP plans to develop a national and provincial level MRV system.</p> <p>The R-PP highlights the need for further work on monitoring to assess carbon stocks and changes and develop protocols for measuring. Planned activities also include the establishment of sample plots for forest carbon monitoring, the use of satellite monitoring to establish a reference emission level, and involvement of local communities in 'ground-based inventories'.<sup>xiii</sup></p> <p>No consideration is given to how to monitor social and biodiversity impacts.</p>   | <p><b>Partial:</b> The need for a financial mechanism to reward those reducing emissions from deforestation is mentioned but not elaborated.</p> <p>Pros and cons of carbon trading are not evaluated or discussed. Indonesia's position is to support a market mechanism that involves a national approach with sub-national implementation.</p> <p>No benefit sharing mechanism has been developed, although the R-PP mentions three potential ways that funds could be redistributed (p 36).</p> <p>The question of how those with no recognised legal rights over the forests they inhabit and use will receive benefits is not addressed.</p>  |
| <p><b>Partial:</b> Identifies unclear land tenure and use rights as key drivers of deforestation and degradation (p 31).</p> <p>The R-PP recognises weak law enforcement as a major driver (pp 31, 37), but does not elaborate on this or propose solutions for the underlying causes of the problem.</p> <p>The R-PP identifies REDD strategy options to strengthen law enforcement, including measures to improve public awareness of forest crime, to increase law enforcement capacity of government bodies and communities, and to strengthen judicial processes (p 110).</p>   | <p><b>Partial:</b> The R-PP proposes monitoring broader governance issues through the REDD+ Social and Environmental Standards Initiative (p 67).</p> <p>The R-PP plans to build capacity of local communities and government bodies in order to monitor impacts on good governance objectives relating to tenure, benefit-sharing and decision-making.</p> <p>There is no proposal for independent oversight of REDD implementation activities, apart from a proposal to add civil society representatives to the relevant government body.</p>   | <p><b>Significant:</b> Monitoring system for emissions and removals of greenhouse gases needed, and 'other benefits' (p 62).</p> <p>The bulk of the proposed monitoring budget is for external reviewers.</p> <p>Decentralised participatory and community-based forest management systems are key to stopping deforestation in Nepal.</p> <p>"Since activity data and biomass increment data are not readily available in Nepal the monitoring system will principally be designed to monitor carbon stocks changes" (p 62).</p> <p>Data collection will be based on a combined method using remote sensing data and periodic ground inventories measurements throughout all Nepal's major forest types.</p>  | <p><b>Incomplete:</b> The only mention of carbon trading is 'the potential benefits of carbon trading' in the context of clarifying carbon rights. There is no discussion of pros and cons, but nor is it entirely assumed that there will be benefits.</p> <p>The R-PP makes broad statements about equitable benefit-sharing with a focus on local communities and women, but does not propose a transparent benefit-sharing mechanism, or other measures to promote transparency of revenue management.</p> <p>The R-PP states that government-administered financing mechanisms often suffer from inefficiency and lack of accountability, and therefore suggests that a 'forest carbon trust fund' governed by a multi-stakeholder board might be more appropriate for REDD (p 47).</p>  |
| <p><b>Biased:</b> The R-PP includes a preliminary analysis of the causes of deforestation. Civil society has not been consulted on this study and the government proposes consultations and 'negotiations' to be held in Kinshasa and provinces to achieve a consensus' on deforestation factors (p 11).</p> <p>The R-PP claims that family farming and firewood harvesting together with informal logging are identified as the dominant drivers of deforestation whereas industrial logging and mining would currently have a weaker impact on deforestation (pp 38-44).</p> <p>The R-PP also identifies 'future' causes of deforestation caused by international factors (increase of global demand of food and biofuels) and national economic development (mining, food safety and mining) (p 45). No further reference in the R-PP how to address these international factors.</p> <p>R-PP proposes giving 10 million hectares to new concessions in addition to opening plantations and cattle ranches (Annex 2b, pp 119-23) The expansion of industrial logging and plantations is contradictory with the strategy to tackle the drivers of deforestation.</p> | <p><b>Partial:</b> Acknowledges key risks and challenges to achieve legal, judicial and forest sector reforms, and set up new institutions and financial mechanisms (p 103).</p> <p>No explicit reference to which safeguards apply to projects (p. 59) and risk analysis of the 'learning by doing' approach adopted for pilot project is missing. Recognition that REDD may generate social conflict between communities and between state and communities (p 71).</p> <p>Monitoring system of social and environmental impacts (p 13) and management of implementation framework (Chapter 6, p 101) in compliance with World Bank Safeguards No details about specific World Bank policies applicable.</p> <p>The R-PP includes a preliminary ToR of the SESA (Annex 2d, pp 134-42) and the TAP highlights that the approach to monitor implementation and provide feedback should be clarified (TAP Review, pp 11-12).</p> | <p><b>Significant:</b> Dual MRV system : MRV for carbon and MRV for social socio-environmental co-benefits (Chapter 4).</p> <p>The main focus is on MRV of carbon stocks, with detail given on methodology for MRV systems.</p> <p>MRV of carbon represents a significant large part of the total REDD budget. (US \$7.8 million out of US \$22.7 million for total Readiness plan) (p 100). Budget for MVR of socio-environmental co-benefits is only a fraction of the MRV for carbon budget (US \$1 million) (p 100).</p> <p>No MRV of safeguards foreseen.</p> <p>The R-PP refers to a 'cost/opportunity curve' produced by McKinsey<sup>xiv</sup> which identifies (p 51) low opportunity cost for small-scale farmers and replacing slash-and-burn agriculture.</p> <p>The REDD implementation framework provides a dialogue function to handle complaints relating to REDD implementation (p 66).</p> <p>Assessment of historic data (C 3a p 78) and DRC national circumstances including socio-economic conditions and sustainable development needs is provided for building a national reference scenario (C3b, pp 79-82).</p> | <p><b>Narrow:</b> The R-PP highlights the need for clarity on property rights in general (pp 42, 43) and property rights over carbon in particular (p 68) as a prerequisite for a system of benefit-sharing/payments to communities based on results.</p> <p>Plans for a new institutions to nationally manage carbon initiatives, a national carbon register to international financing to avoid double accounting, ensure and promote international marketing of DRC carbon (p 64).</p> <p>R-PP includes the ToR for a study on revenue redistribution mechanisms (Annex 2c-2, p 125)<sup>xv</sup> and civil society also indicated the risk of excluding local and indigenous communities from REDD revenue distribution because they have no property title over the forest (p 116).</p> <p>A study on the design of an interim mechanism to manage REDD money is foreseen.</p> |

| Country   | Human rights<br>Including indigenous peoples' rights  | Land and tenure   | FPIC and public consultation   | Governance<br>Issues addressed  |
|---|---|---|--|---|
| <b>RoC</b><br>Version 19 April 2010<br>(now under revision) | <p><b>Weak:</b> R-PP does not contain adequate protection for the rights of indigenous peoples as set out in UNDRIP and related human rights instruments. No explicit reference to the Congolese constitution integrating relevant human rights instruments and directly applicable.</p> <p>Reference to a draft bill promoting indigenous peoples' rights and recognition of customary tenure reviewed by parliament but not yet in force at the time of publication (Eng p 49, Fr p 58). This draft bill has been in the legislative process since 2007 and will strengthen the rights of only a small percentage of the rural populations.</p> | <p><b>Weak:</b> The R-PP notes weaknesses of forest legislation (p 27) and unresolved issues of customary tenure rights which are important for the traditional lifestyle of forest-dwellers but does not clarify how these weaknesses will be addressed.</p> <p>Proposes enhancing tenure security by strengthening existing protected areas and identifying new areas (pp 38, 42). The TAP review criticises the R-PP for failing to explain how REDD+ could function in forests under customary control.<sup>xviii</sup></p> <p>Studies proposed (with national consultations only) (Fr p 64) to address land and tenure issues.</p>   | <p><b>Weak:</b> The R-PP supports in principle the participation of local communities and indigenous peoples based on FPIC and refers to UNDRIP and the World Bank operational policy 4.10 on indigenous peoples (Eng p 16, Fr p 17). Explicit reference to participation of all stakeholders, including civil society, as a key guiding principle of the REDD process inspired by the VPA/FLEGT process (Eng p 8, Fr p 7)</p> <p>There has been strong criticism from local civil society over the lack of consultation on the R-PP<sup>xvii</sup> and the proposed consultation plan (2010-13) is weak: no clear objective, no precise methodology, no realistic timeline, no clarity on the application of how to apply FPIC (Fr pp 17-25).</p> | <p><b>Weak:</b> Recognises the need for legal and institutional reform based on principles of good governance (Eng p 48, Fr p 57) However, the R-PP does not mention how these reforms will be conducted and to what extent this would coincide with existing FLEGT/VPA commitments.</p> <p>The R-PP recognises weak forest governance as one of the aggravating factors to the direct drivers of deforestation and forest degradation (p 29) as well as the lack of cross-cutting reforms in land tenure and land-use planning (p 28). However the R-PP fails to address these problems or propose any budget or methodology to do so.</p>   |
| <b>Ghana</b><br>Version (2) January 2010                    | <p><b>Weak:</b> The R-PP is weak on the subject of recognising human rights, despite the fact that it proposes an analysis to look at the rights and welfare of forest dependent people under the WB SESA principle. The R-PP also recognises the need to have the Commission on Administrative Justice and Human Rights (CHRAJ) included in operationalised conflict resolution structures.</p> <p>Only mentions that the safeguards for indigenous people can be related to the rights of local communities since Ghana has no indigenous peoples (p 71). It is not clear, however, what the safeguards are.</p>                                | <p><b>Partial:</b> The strategy options suggest a review and reform of the existing tree tenure regime (p 45) (which states that rights over trees are held by the state in trust for the nation, p 37) although no specific mechanisms are outlined.</p> <p>The R-PP contains an element within the national strategy to clarify a rights regime and which includes a subcomponent looking into carbon rights, benefits-sharing and tree tenure (p 50).</p> <p>An evaluation of tenure reforms is proposed for existing Community Resource Management Areas.</p> <p>The implementation of carbon rights is mentioned, with no reference as to who controls this resource (p 46).</p> | <p><b>Weak:</b> Reference to FPIC recognises free, prior and informed, but not consent.</p> <p>Refers to future capacity building of local communities and other key stakeholders and also a process of future consultations including using already existing platforms in the forest sector (p 25) but asserts that critical decision-making is the preserve power of the government and the appropriate MDAs (p 18).</p> <p>Identifies a need for a participatory approach in decision making (p 38) but consultation is generally interpreted as information-sharing.</p>   | <p><b>Partial:</b> Recognises that governance in the forest sector has long been problematic, and refers to an ongoing forest governance reform process (EU FLEGT programme) (p 36).</p> <p>Refers to the need for holistic implementation of initiatives in the forest sector and aligning the REDD activities with the reforms and review of existing Forest and Wildlife Policy (1994) as well as the Forest Development Master Plan (1996) and giving high political backing to REDD through a coordination body at cabinet level (NREAC, now ENRAC).</p> <p>Proposes a specific institution which will authorise project proponents to own and sell carbon credits (p 62).</p> |

- i This analysis has been compared to the most recent version of the Peru R-PP (Jan 2011) and all comments are found to remain valid. Changes or additions in the Jan 2011 version are noted in the table.
- ii See, for example, comments by civil society organizations in response to R-PP1 which still remain valid for R-PP2. Rainforest Foundation UK, Norway and US, Global Witness, EIA, 'Comments on Peru's Readiness Preparation Proposal', June 2010, point 2, p 3.  
<http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jul2010/Peru%20R-PP%20letter%20RF%20EIA%20GW%20-%20June%202022.pdf>
- iii AIDESEP Statement (2010a) To the authorities of the executive and legislative power; regional governments and presidential candidates for 2011; World Bank, UNDP, UNFCCC and national and international community: without indigenous territories, rights and prior consultation – no REDD, forests, oil and environmental services concessions are possible, Lima, 28 October 2010
- iv AIDESEP (2010d) Letter to Minister of the Environment Antonio Brack regarding the Second Draft of the R-PP of Peru for the FCPF, Lima, 9 September 2010
- v Ibid, para 1
- vi APA (2010b) Written comments on April 2010 Draft R-PP (Guyana) submitted to the Guyana Forestry Commission, May 2010
- vii World Bank (2010) 'Incorporating Environmental and Social Considerations in to the process of getting ready for REDD+ FMT: Note 2010-9, 7 March, paras 21 (i, ii).  
<http://web.worldbank.org/WBSITE/EXTERNAL/EXTINSPECTIONPANEL/0,,contentMDK:22512050~menuPK:64129250~pagePK:64129751~piPK:64128378~theSitePK:380794~isCURL:Y,00.html>
- viii Annex 3, undated, 'Transcripción de la palabra del ingeniero Eduardo Reyes presentando la estrategia REDD a grupo sindigenas en ocasion de la eleccion del cacique general de la comara embera wounan'
- x Annex 1 notes that a new law from 1999 to recognise the rights of local communities to manage the land and forest resources where they claim customary ownership has not been implemented, but no references are made to address this
- xi Most notably the regulation recognising customary ownership (now 10 years old) has not been implemented due to conflicts at the local level as well as between the Ministry of Forestry (which claims ultimate authority over national forests) and customary institutions (refer to Annex 1 of the R-PP). Cited in Davis C et al. (2010) 'Getting ready: a review of the World Bank Forest Carbon Partnership Facility Readiness Preparation Proposals'. WRI Working paper
- xii Such as the Anti-Corruption Commission established in 2002
- xiii Annex 7 of the R-PP: Component 7. Develop a Reference Scenario; & Communication and Outreach Programme for Indonesia REDD Readiness Activities Financed through FCPF. 18 May 2010. Both available online at: <http://www.forestcarbonpartnership.org/fcp/node/218>
- xiv The DRC is party to the following international legal instruments: International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the International Covenant on the Elimination of Racial Discrimination, the African Charter on the Convention on Biological Diversity, the Convention on the Rights of the Child, the Convention on the Elimination of Discrimination against Women
- xv Reference in Annex 2c-1/Term of Reference: Study on transversal legal reform to support the implementation of REDD to UNDRIP, Convention on Biological Diversity, UN Convention on the Elimination of All

| Underlying drivers<br>Who is blamed for deforestation?   | Risk analysis<br>Are potential environmental/social risks addressed?  | Monitoring, reporting and verification<br>Of what?  | Financing mechanism and local benefits  |
|--|---|---|---|
| <p><b>Biased:</b> Traditional household farming and collection of wood for fuel or charcoal are mentioned as the two main direct causes of deforestation (Eng p 28, Fr p 33).</p> <p>No sufficient attention paid to industrial resource extraction such as logging, mining or oil exploitation as key industrial drivers. No mention of the impacts of large-scale palm oil and tar sand projects.<sup>xvii</sup></p> <p>The R-PP budget proposes studies to analyse the 'direct' causes of deforestation (Eng p 35, Fr p 41). No funds provided to analyse the 'indirect' or 'underlying' causes of deforestation, nor for participation of forest communities in the process of identification of the drivers of deforestation.</p>   | <p><b>Vague:</b> The safeguards component in the R-PP is very vague and general. There is reference to UNDRIP and World Bank policy 4.10 (p 16), and further reference to other World Bank safeguards as a basis for SESA, but no clarity on how any of these would apply in practice. These concerns were also picked up in the TAP review which despite its analysis found that the R-PP met the requirements.<sup>xviii</sup></p> <p>Regarding the SESA, there is no detailed ToR and no clear timeline or consultation processes. No clarity on consultation and participation processes according to FPIC when realising SESA and no budget provided for participatory processes when realising SESA (Eng p 60, Fr p 70).</p>  | <p><b>Weak:</b> The main aim of MRV strategies is the quantification/measuring of carbon stocks.</p> <p>No qualitative MRV strategies. No explicit MRV provided for the application of safeguards, FPIC or benefit sharing systems.</p> <p>No link between MRV strategies and strategies to address the causes of deforestation.</p> <p>The Monitoring System chapter includes a component 4b on 'Other Benefits and Impacts'. This is extremely weak, unclear, unrealistic and vague. Planned consultations are not reflected in the budget.</p>   | <p><b>Weak:</b> The R-PP proposes setting up a REDD+ fund to manage international and national investments (Eng p 53, Fr p 62) which would be managed by the Congolese Public Treasury – a body lacking transparency.</p> <p>Proposed study on 'Governance of the REDD+ Fund' (p 104) lacks details regarding benefit-sharing or grievance mechanisms.</p> <p>Proposes an MRV system with regards to other benefits and impacts based on consultations. This proposal lacks clarity and is confusing, with the text differing significantly between the English and French language versions (Eng p 79, Fr p 93).</p>   |
| <p><b>Partial:</b> The R-PP mentions immediate drivers as forest industry over-capacity, policy/market failures in timber sector, burgeoning population in both rural and urban areas which in turn increases demand for wood and agriculture products and high international market demand (p 35).</p> <p>Other drivers mentioned include high dependence on wood fuel and charcoal for energy, limited technology development in farming systems and continued reliance on cyclical 'slash and burn'.</p> <p>It is acknowledged that the mining sector (artisanal and industrial) contributes to deforestation and degradation both directly (expansion to forest areas) and indirectly (pollution of environment and groundwater).</p> <p>Much of the process of deforestation relates to agricultural and agro-forestry conversion (p 46).</p> | <p><b>Vague:</b> References that the SESA tool and Strategic Environment Assessment prepared by the Ghana EPA would be applied to the R-PP and aims to ensure that the national strategy that is designed is devoid of negative social and environmental impacts.</p> <p>Vague commitment to analyse the institutional, governance and initial stakeholder trade-off of potential REDD+ strategies (p 69)</p> <p>Risks of leakage mentioned (p 43). Plans to examine local export tariffs and controls to minimise leakage effects that may occur in the sub-region.</p> <p>Identified risks to livelihoods if REDD+ actions involve major behavioural change on the rural poor who have no other livelihood sources (p 47).</p> <p>Conflict resolution proposal for structures at the local level to higher conflict resolution structures for unresolved conflicts.</p> | <p><b>Partial:</b> Finds training of institutions that would oversee and evaluate technical aspects of monitoring and impact assessment of carbon, socio-economic and biodiversity aspects of policies and site level activities.</p> <p>Refers to an MRV system to track the deforestation, degradation, forestation and enhancement of carbon stocks (p 92), eventually expanding this to include biodiversity indicators.</p> <p>Proposal to put in place an impact assessment team to look into social and environmental impacts and report to the Environmental Advisory Council (now ENRAC).</p> <p>Reference to addressing grievances and conflicts, and training of lawyers and government officials to mitigate disputes (p 63).</p> | <p><b>Partial:</b> Recognises that the incentive mechanism is yet to be defined by the UNFCCC (p 22).</p> <p>The financial arrangement analysis refers to sources varying between national and international, public and private, which are likely to include payments for carbon credits (p 59).</p> <p>Refers to demonstration actions funded through development grant assistance or site-level crediting and participation in voluntary carbon markets (p 61).</p> <p>Suggests an 'analysis of the likely REDD incentive structures and benefit sharing mechanism' (p 86 Annex) with no elaboration on what this means, although elsewhere it raises the risk of unsustainable benefit sharing systems and direct cash benefits (p 61).</p> |

Forms of Discrimination Against Women (with regard to key principles such as indigenous peoples' rights to self determination and FPIC), R-PP, 126

- xvi This TOR was scheduled to be completed in mid-2010, but has not yet been started, despite transfers of over \$5m of UN-REDD money which can be used this and other studies and priorities at the discretion of the DRC government.
- xvii Rapport synthèse d'atelier national REDD et de la réunion de planification avec les délégués des communautés, Kinshasa, Centre Térésianum de Kintambo, 14-16 October 2010, p 7
- xviii Concerning the future consultation plan, the TAP notes: 'It would be helpful if the consultation plan were further developed to give greater assurance that the future activities would be genuinely consultative and participative, particularly amongst the most affected communities'
- xix Revised FCPF TAP Synthesis Review of R-PP of Democratic Republic of Congo, February 2010. [http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Mar2010/DRC\\_R-PP\\_Revised\\_TAP\\_Synthesis\\_Review%20\\_March\\_17\\_2010%20.pdf](http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Mar2010/DRC_R-PP_Revised_TAP_Synthesis_Review%20_March_17_2010%20.pdf)
- xx 'Contrat Public', government of DRC, Kinshasa, February 2007
- xxi République Démocratique du Congo, Ministère de l'Environnement, Conservation de la Nature et Tourisme, 'Potentiel REDD+ de la RDC' December 2009
- xxii This study has not been started, despite the fact that the DRC are moving ahead with creating a funding structure for anticipated FIP monies.
- xxiii FCPF: Review of R-PP of Republic of Congo, June 2010, p 6.  
[http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jul2010/Republic\\_Congo\\_R-PP\\_TAP\\_Synthesis\\_review\\_June\\_14\\_2010.pdf](http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jul2010/Republic_Congo_R-PP_TAP_Synthesis_review_June_14_2010.pdf)
- xxiv Note de contribution de la société civile par rapport à la préparation du R-PP en République du Congo, 10 June 2010.  
[http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/3e\\_Civil\\_Society\\_Comments.pdf](http://forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Jun2010/3e_Civil_Society_Comments.pdf)
- xxv Heinrich Böll Foundation (2009) 'Energy Futures? Eni's investments in tar sands and palm oil in the Congo Basin', available at [http://www.boell.de/downloads/091109\\_Energy\\_Futures\\_Congo\\_Oil.pdf](http://www.boell.de/downloads/091109_Energy_Futures_Congo_Oil.pdf)
- xxvi FCPF: Review of R-PP of Republic of Congo, June 2010, p 9

## Main conclusions and findings

In 2009 FERN and FPP studied the first R-PINs and concluded that the FCPF was 'cutting corners'. Two years later, the situation is even more worrying: it appears that 'smoke and mirrors' are being used to shift attention from the FCPF's lack of accountability to its own charter and the World Bank's operational policies.

Through the FCPF, the World Bank is now setting the post-Cancun agenda in terms of how forests are integrated into a global climate regime, how REDD will be implemented and how finance will be sourced. It is therefore of great concern that this analysis has found that the policy debate in the FCPF in 2010 has been characterised by a progressive dilution of requirements to respect social and environmental standards. This appears to be the result of the combined pressure of REDD countries, that resist stringent environmental and social standards, and key donors, that want quick disbursement of funds.

The FCPF's attempt to create a market in forest carbon credits, even before such a decision has been made at UNFCCC level, indicates the Bank's eagerness to create a new market, despite a total lack of evidence that such a market will deliver results for forests and peoples and an increasing body of evidence that it will not.

All of these problems, a focus on carbon, dilution of social and environmental standards and insufficient recognition of tenure rights and related conflicts, are reflected in the text of the eight R-PPs analysed.

### **Safeguard and accountability frameworks**

This review concludes that FCPF safeguard and accountability frameworks still suffer from serious gaps and contradictions, and are not in line with recently adopted UNFCCC safeguards and international obligations (see Annex III).

Specific shortcomings and gaps include:

- FCPF safeguard frameworks adopt a narrow mitigation approach that appears to assume REDD policies will do harm.
- Ambiguity over the status of FCPF 'draft' rules subject to regular 'rolling' revision, as well as which requirements are binding and which are not.
- Absence of binding requirements or rules on the need to recognise and respect land



and resource rights in line with international obligations, including customary rights. As they stand, the FCPF's rules and commitments are largely confined to procedural rights to participation and consultation, rather than respecting substantive rights to land, livelihoods and resources.

- Failure of the FCPF to adopt the minimum requirement to apply the standard of free, prior and informed consent (FPIC) in all FCPF-assisted REDD readiness operations and decisions affecting indigenous peoples (only operations implemented by the UNREDD Programme will apply FPIC).
- Dilution of SESA guidelines, which have been reduced to a truncated terms of reference that lacks adequate guidance on how to undertake robust impact assessments.
- Flawed proposals that imply that most R-PP guidance already complies with UNFCCC COP16 requirements, including new UNFCCC rules requiring countries to adopt a system of information on safeguards in REDD, despite the fact that it has not yet been agreed in the UNFCCC how these rules would be implemented.
- Defective analysis that suggests that World Bank 'safeguards' are equivalent to the higher standards of the UNFCCC and UNREDD, which is demonstrably not the case.
- Contradictions in FCPF plans to rush ahead with its Carbon Fund activities in 2011 without clarity on required standards and due diligence, required linkages with the readiness phase, and without measures to address serious risks related with global carbon markets.

### National REDD plans

With regard to the R-PPs reviewed, it was found that core commitments on rights and international obligations are not being addressed. Specific findings are that:

- None of the assessed R-PPs have been based on a proper ongoing national consultation process, and none have so far met the expected standards set out by the FCPF in its guidelines (and as described in its 2010 annual report).
- Access to information and good faith public consultation have been hindered by the sharing of multiple drafts of R-PPs in short spaces of time, creating confusion and undermining trust.
- In many instances, design and related consultations have been dominated by government, semi-governmental bodies, consultancies and international NGOs.
- Some R-PPs evaluated (Panama) make no reference to safeguards whatsoever, while others only contain weak analysis of social risks and safeguards (RoC, Indonesia, Peru, Guyana).
- International obligations highlighted by human rights bodies are ignored or disregarded, such as in Peru, Indonesia and Guyana.
- R-PPs continue to overlook serious defects/weaknesses in national legal frameworks, especially relating to customary rights, FPIC and land demarcation and titling procedures.
- None of the R-PPs (Peru, Guyana, Panama, Nepal, Indonesia, RoC, DRC, Ghana) propose legal reforms towards strengthening indigenous peoples' or local communities' rights.
- All eight R-PPs reviewed, but in particular Panama, Indonesia and RoC, directly or indirectly affirm state ownership over forests and carbon.
- Some R-PPs (Ghana, Peru, Panama) appear to apply a flawed approach to carbon rights

that detaches these rights from rights to lands, territories and resources.

- Where legal reforms are envisaged in R-PPs they are largely confined to plans to enact new legislation to finance national REDD programmes through future carbon trading.
- Local people are blamed for forest loss in the Panama, Peru, Guyana, Indonesia, RoC, DRC R-PPs (and to a lesser extent the Ghana and Nepal R-PPs), despite evidence that commercial agriculture and industrial resource extraction are the dominant drivers of tropical deforestation .
- A thorough analysis of direct and indirect drivers of deforestation is weak or non-existent in all R-PPs reviewed.

**Daysi Zapata Fasabi, Vice-President of AIDESEP, speaking out at the World Bank FCPF participants committee meeting, November 2010, Washington DC.**

photo Andrew Miller / Amazon Watch



## Recommendations

- The FCPF should move beyond an almost exclusive focus on monitoring carbon to focus on non-carbon values such as monitoring governance, clarification of tenure rights of indigenous peoples and local communities.
- Operationalisation of the Carbon Fund should be preceded by an evaluation of the Readiness phase. Hence, no further funds should be pledged to it at this moment in time.
- No ERPAs should be negotiated before the Readiness phase is fully completed and assessed to evaluate the level of compliance with social and environmental safeguards to protect the environment and indigenous peoples' rights. Initiating the negotiation of ERPAs at this point in time would prejudge a UNFCCC decision on REDD financing.
- The FCPF should ensure the full respect of the rights of indigenous peoples, including: FPIC, the rights to land, territories and resources, the right to traditional knowledge and traditional livelihoods, as well as transparency, accountability and compliance with the highest level of social and environmental standards and safeguards in all activities that are fully or partly funded by the FCPF (i.e. genuine upward harmonisation).
- An inclusive public debate around different potential financial mechanisms should take place at national and international level before countries develop REDD plans geared only towards readiness for a carbon market.

## Annex I: Summary of R-PP country stages

|                          | RPIN           | R-PP   |  |                      |                                 |                                       |  |
|--------------------------|----------------|--|--|----------------------|---------------------------------|---------------------------------------|--|
| Country                  | RPIN submitted | Formulation grant (200,000 <sup>+</sup> ) signed (disbursements as of December 2010) | Draft versions                               | R-PP assessment date | Final R-PP submitted            | Preparation grant (up to 3.5 million) |  |
| Argentina                | October 2008   |  | January 2010<br>June 2010                    | June 2010            | Revisions currently in progress | 3.6 million approved in June 2010     |  |
| CAR                      | December 2008  |  | February 2011                                |                      |                                 |                                       |  |
| Cambodia                 | 2009           |  | March 2011                                   | March 2011           |                                 |                                       |  |
| Costa Rica               | July 2008      | July 2009<br>162,000 disbursed   | June 2010<br>August 2010                     | June 2010            | Revisions currently in progress |                                       |  |
| DR Congo <sup>* °</sup>  | July 2008      | March 2009<br>191,000 disbursed  | March 2010                                   | March 2010           | July 2010                       |                                       |  |
| Ethiopia                 | October 2008   | September 2009<br>190,000 <i>disbursed</i>   | October 2010<br>Jan 2011                     | March 2011           | Revisions currently in progress |                                       |  |
| Ghana <sup>*</sup>       | July 2008      | April 2009<br>200,000 <i>disbursed</i>   | September 2009<br>January 2010               | March 2010           | December 2010                   |                                       |  |
| Guyana                   | July 2008      | June 2010  | June 2010<br>April 2010                      | June 2010            |                                 | Grant approved June 2010              |  |
| Indonesia <sup>* °</sup> | March 2009     | Government declined<br>formulation grant   |  | July 2009            | June 2009                       | 3.6 million approved in May 2010      |  |
| Kenya                    | July 2008      | September 2009<br>170,000 <i>disbursed</i>   | June 2010                                    | June 2010            | Aug 2010                        |                                       |  |
| Laos <sup>*</sup>        | July 2008      | October 2009<br>86,220 <i>disbursed</i>  | August 2010<br>October 2010                  | October 2010         |                                 |                                       |  |
| Liberia                  | July 2008      | May 2009<br>75,000 <i>disbursed</i>  | January 2011                                 |                      |                                 |                                       |  |
| Madagascar               | July 2008      |  | January 2010<br>October 2010                 |                      |                                 |                                       |  |
| Mexico <sup>*</sup>      | July 2008      |  | February 2010                                | March 2010           | Revisions currently in progress |                                       |  |
| Nepal                    | July 2008      | Aug 2009<br>152,188 <i>disbursed</i>   | April 2010<br>September 2010                 | June 2010            | October 2010                    |                                       |  |
| Panama <sup>°</sup>      | July 2008      |  | May 2009                                     | June 2009            |                                 | Grant approved June 2009              |  |
| Peru <sup>*</sup>        | October 2008   |  | April 2010<br>September 2010<br>January 2011 | March 2011           |                                 |                                       |  |
| Rep. of Congo            | October 2008   | July 2009<br>87,340 <i>disbursed</i>   | April 2010<br>June 2010                      | June 2010            | Revisions currently in progress | Grant approved June 2010              |  |
| Suriname                 | March 2009     |  | October 2009<br>January 2010                 |                      |                                 |                                       |  |
| Tanzania <sup>°</sup>    | March 2009     |  | June 2010<br>October 2010                    | November 2010        |                                 |                                       |  |
| Uganda                   | July 2008      | 102,000 <i>disbursed</i>   | January 2011<br>March 2011                   |                      |                                 |                                       |  |
| Vietnam <sup>°</sup>     | March 2008     |  | October 2010<br>January 2011<br>March 2011   | March 2011           |                                 |                                       |  |

\* FIP Pilot country  
° UN REDD country

Countries not shown in the above table with approved RPINs who have not yet presented R-PPs are: Bolivia, Cameroon, Chile, Colombia, El Salvador, Equatorial Guinea, Gabon, Guatemala, Honduras, Mozambique, Nicaragua, PNG, Paraguay, Thailand and Vanuatu.

+ Amounts given in US dollars throughout

| Readiness Package   |
|---|
| Comments  |
| Focus on reference scenarios for forest carbon and inadequate analysis of drivers of deforestation.   |
| No draft R-PP presented yet. Nomadic pastoralists identified as main cause of deforestation and degradation without evidence. Lack of genuine participation in formulating RPPs and proposed budget heavily weighted towards MRV of carbon. |
| Requires a more cross-sectoral approach to fully integrate REDD into the wider land-use context in Cambodia   |
| Reference scenario and monitoring systems sections are clearly written. Formulation grant mostly used to contract consultants to write R-PP.  |
| Civil society consultations held up as regional example. Local NGOs have little influence over the process and the R-PP primarily benefits industrial activities.   |
| Cross-cutting design of R-PP, including relevant stakeholders and government agencies beyond the forest department.   |
| Government focused on setting up enabling conditions for trading forest carbon. Failing to build on identified FLEGT reforms.   |
| Core concerns and requests of indigenous peoples not addressed. Relation with LCDS unclear. Formulation grant to focus on awareness-raising.  |
| New REDD laws remove rights of forest peoples and re-centralise resource control.   |
| REDD strategy is nested within a wider climate change response strategy and the drivers of deforestation are well described.  |
| Engagement of indigenous peoples in existing or planned consultations is very limited.  |
| Consultation plan is elaborate, but details on how this will build on the FLEGT process, and how existing controversies will be addressed is lacking.   |
| R-PP developed with considerable input from outside experts.  |
| The R-PP states that implementation will occur under ILO 169.   |
| Increasing tendency to reliance on technical experts and exclusion of local civil society and indigenous peoples.   |
| No recognition of current conflicts over land tenure. Recognitions of indigenous peoples' rights limited to national law.   |
| Key land issues not resolved. Relations with FIP unclear.   |
| Misleading information given on consultations. Civil society excluded and attempts to undermine, rather than build on, existing FLEGT platform.   |
| Serious concerns that the R-PP is not consistent with the rights of the Saramaka and other indigenous and tribal peoples, and lack of meaningful participation.   |
| Very little consultation and resubmission requested to give due consideration to representation and engagement of civil society and forest dependent peoples.   |
| Little detail on future plans for stakeholder consultation, including how FPIC and ILO 169 will be implemented.   |
| Consultation process is limited to date, with no consultation with indigenous peoples and overrepresentation of international NGOs.   |

## Annex II: The stages of the FCPF

### Readiness fund

FCPF, UNREDD or both jointly can support this phase. This phase is supposed to take account of the draft R-PP guidelines, which are now common to both FCPF and UNREDD (these latest guidelines contain mostly optional guidance with few clear mandatory requirements).

#### Stage I Formulation

##### Preparation of R-PIN (no funding available)

The R-PINs (REDD readiness concept notes) are meant to “provide an overview of land use, deforestation causes, stakeholder consultation and institutional issues for addressing REDD” and to summarise countries’ requests for assistance to prepare for their REDD programmes.



##### Preparation of an R-PP (Readiness Preparation Proposal) (grant of up to US \$200,000 available)

The Readiness Preparation Proposal (R-PP) is a document that will set out the steps and ‘minimum requirements’ for a country to achieve ‘Readiness’. It is intended to build and expand upon the R-PIN.

The R-PP is meant to be based on FCPF-UNREDD Guidelines for R-PP Preparation (latest draft version issued in December 2010). Accordingly, an R-PP is supposed to contain a “‘consultation and outreach plan’ and a rapid analysis of ‘Land use, Forest Policy and Governance Quick Assessment’”. It should also include details on the preparation of the REDD+ Strategy, an assessment of land use, forest policy and governance, detailed or outline terms of reference for, inter alia, the establishment of a ‘National REDD Working Group’, a risk assessment a national REDD Strategy, a REDD Implementation Framework, include sections on SESAs and ESMF and guidelines for engagement of stakeholders (see Annex III).



#### Stage II Preparation

##### Production of an R-Package (grant of between US \$1 and \$3.4 million available)

Between the second and third phase of the results-based action, an implementation and reforms phase may occur, during which pilot programmes and projects of results-based actions may be implemented. The key multilateral programme outside the FCPF dedicated to the second phase is the World Bank’s Forest Investment Programme.

## Carbon fund

### Stage III Results-based action

#### Phase 1: Submission of an Emission Reductions concept note (ER-PIN)



#### Phase 2: Preparation and submission of Emission Reductions Programme(s) (ERPs)



#### Phase 3: Negotiation and approval of Emission Reductions Payment Agreements (ERPAs)

The original idea underlying the FCPF process was that after completion of the Readiness phase, countries (or sub national entities) would be selected to sell forest carbon credits to the Carbon Fund. However, it now seems that countries might be allowed to begin preparing Emissions Reduction Programmes (ERPs) and negotiating ERPAs prior to completion of the R-Package. This is problematic as described on page 11. It is, however, believed that an R-Package must still be approved prior to signing of an ERPA, according to Section 6.4 of the FCPF Charter:

“Section 6.4: Readiness Package, Emission Reductions Program and Emission Reductions Payment Agreement

(b) The REDD Country Participants whose Readiness Package has been endorsed by the Participants Committee may submit one or more Emission Reductions Programs to the Facility Management Team for consideration by the Carbon Fund Participants in accordance with Article 12. A public or private entity from such a REDD Country Participant may also submit an Emission Reductions Program provided that such entity is approved by the REDD Country Participant.”<sup>85</sup>

85 FCPF Charter, August 2010. [http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Sep2010/FCPF\\_Charter-August\\_2010\\_clean.pdf](http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Sep2010/FCPF_Charter-August_2010_clean.pdf)

## Annex III: Key FCPF standards and operating principles

FCPF standards are constantly shifting, and many still remain in draft form at the beginning of 2011. Existing social and environmental commitments and rules of the FCPF, as well as its mandatory and optional guidance to REDD countries, are spread across several (often lengthy) FCPF documents, including:

- The FCPF Charter Document
- Draft R-PP Preparation Guidelines (December 2010)
- Terms of Reference for Strategic Social and Environmental Assessments (SESA) and Environmental and Social Management Frameworks (ESMF)
- Draft FCPF-UNREDD Guidelines on Stakeholder Engagement
- Carbon Fund Issues Note

### A. Safeguards, operational policies and international obligations

A key commitment to standards and public accountability is found in the FCPF Charter which affirms that:

“The operation of the Facility shall ... comply with the World Bank’s Operational Policies and Procedures, taking into account the need for effective participation of Forest-Dependent Indigenous Peoples and Forest Dwellers in decisions that may affect them, **respecting their rights under national law and applicable international obligations**” (Article 3(d), emphasis added).<sup>86</sup>

After three years of controversy over questions about the extent to which safeguards apply to FCPF readiness actions, the World Bank now advises that safeguards will apply to operations in the readiness phase, but only “to the degree applicable, depending upon the stage of readiness and types of projects, activities, or policies/regulations, and related impacts.”<sup>87</sup>

An initial decision on the triggering of safeguards is made prior to signing the FCPF readiness preparation grant in relation to readiness and future REDD actions. This determination is documented in a public **R-PP Assessment Note** (at the time of going to press the only ‘preliminary’ assessment note that has been published is related to the Indonesia RPP).<sup>88</sup>

86 IBRD (2010) ‘Charter establishing the Forest Carbon Partnership Facility.’ International Bank for Reconstruction and Development (as amended), August 2010. [http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Sep2010/FCPF\\_Charter-August\\_2010\\_clean.pdf](http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Sep2010/FCPF_Charter-August_2010_clean.pdf)

87 R-PP Preparation Guidelines, December 2010, p 3, para 4

88 ‘Readiness Plan Assessment Note on environmental and social safeguards for a proposed REDD readiness programme in Indonesia – Preliminary comments and recommendations’, 6/12/2009 <http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Indonesia%20R-PP%20Bank%20Assessment%20Note.pdf>



A 'possible' final decision on applicable safeguards needed in the implementation of a future REDD strategy is made by the REDD country and the Bank following completion of the SESA and ESMF (see below). Updated decisions on safeguards should be documented in **R-PP Progress Reports** during implementation of the readiness grant.

## B. Draft R-PP guidelines (December 2010)

The lack of binding requirements seriously undermines public accountability of the FCPF to civil society and potentially affected communities. There are few mandatory requirements in the proposed R-PP guidelines, which generally use optional terms like 'should', 'could', 'may'. Notwithstanding these major shortcomings, noteworthy elements include draft guidance that:

- REDD countries should in their R-PP "explain how the feedback from stakeholders will be incorporated into the REDD+-plus readiness process, including feedback on key environmental and social risks as perceived by the stakeholders."<sup>89</sup>
- REDD countries should compile "an assessment of land use, forest law, policy and governance, with respect to national law and policy in other sectors and **international obligations**" (emphasis added) as part of compiling component 2a of the R-PP.<sup>90</sup>
- R-PP land use assessments should examine "whether policies and laws provide positive or perverse incentives that drive deforestation; pertinent laws, policies, and issues surrounding land tenure and resource rights, and traditional land use of indigenous people(s), extent of titled and untitled indigenous lands, indigenous claims for additional land 'extensions,' and process of land title demarcations."<sup>91</sup>
- Countries should 'strongly consider' using a forest governance assessment framework "to help formulate a **governance reform strategy** based on the diagnosis; and then selected indicators to monitor whether the reform strategy is being implemented" (emphasis added).<sup>92</sup>
- "For FCPF countries, it is good practice to hold a validation meeting with key stakeholders to discuss the R-PP draft prior its submission to FCPF (while in UNREDD countries public validation is a mandatory requirement)."
- "The consultations leading to the validation of the R-PP should include culturally sensitive consultations with key stakeholders, including indigenous peoples and vulnerable stakeholders."<sup>93</sup>
- "The validation meeting is not a substitute to an inclusive and transparent consultation process, and stakeholder participation is expected from the beginning of R-PP development. The objective of this (validation) workshop is to ensure that issues raised during pre-consultation with key stakeholder groups are incorporated into the plan."<sup>94</sup>

## C. Guiding 'common principles' for participation

The FCPF and UNREDD agreed in November 2010 to apply eight principles for consultation and

89 Ibid, guidelines for Component 1c, p 25

90 Ibid, guidelines for Component 2a, p 30

91 Ibid, guidelines for Component 2a, p 30, para 4

92 Ibid, guidelines for Component 21 p 31, para 6

93 Ibid, pp 5–6, para 9

94 Ibid, guidelines for Component 1b, p 24

participation that have been partly incorporated in the RPP guidelines.<sup>95</sup> According to these principles:

- “Emphasis should be given to the issue of land tenure, resource use and property rights ... thus clarifying rights to land and carbon assets, including community (collective) rights, and introducing better control over the resources will be critical priorities for REDD-plus formulation and implementation.”
- “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.”
- “Participatory fora need to be established ... at the local level to ensure active engagement of local stakeholders.”
- “Special emphasis needs to be made when consulting with indigenous peoples to recognize their own existing processes, organizations and institutions ... It is also important to ensure that consultations are gender sensitive.”

#### D. Strategic Environmental and Social Assessment and Environment and Social Management Framework

A strategic environmental and social assessment (SESA) is conducted as part of the implementation of a country’s R-PP and its main findings are included in the R-Package. The SESA is meant to inform the final choice of REDD-plus options and final design of a national REDD strategy. In this regard the SESA is meant to facilitate REDD planning:

“... 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” (emphasis added).<sup>96</sup>

In carrying out the SESA activity, the REDD country is advised, *inter alia*, to:

- Set up a multi-stakeholder ‘SESA sub-committee’ as part of Readiness arrangements.
- Undertake “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”.
- Develop a framework to mitigate and manage impacts and risks associated with the implementation of the REDD+ strategy options through formulation of an Environmental and Social Management Framework (ESMF).
- Establish outreach, communication and consultative mechanisms with relevant stakeholders for each of the above steps. The consultations for SESA will be integral to consul-

95 Principles of Effective Stakeholder Engagement, FCPF-UNREDD (2010) ‘Guidelines on Stakeholder Engagement in REDD+ Readiness with a Focus on the Participation of Indigenous Peoples and other Forest-Dependent Communities.’ Draft, 17 November, pp 3–4, para 9(g). <http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Nov2010/FCPF%20UN-REDD%20Stakeholder%20Guidelines%20Note%20Draft%2011-17-10.pdf>

96 Annex C to R-PP Template, October 2010

- tations for the REDD+ readiness process and the REDD country's consultation plan.<sup>97</sup>
- Ensure “compliance with World Bank’s safeguard policies during both preparation and implementation of the Readiness Package” (Annex C to R-PP Preparation Guidelines)<sup>98</sup>

A **draft** Environmental and Social Management Framework (ESMF) is a proposed element for inclusion in a ‘Readiness Package’.

The ESMF is expected to apply a **narrow mitigation framework** that “should” (*inter-alia*):

- Describe “the main risks to the natural environment or to human communities associated with the pursuit of **different** REDD-plus strategy options” (emphasis added).
- Include a “description of the potential future impacts, both positive and negative, deriving from the projects, activities, or policies/regulations associated with the implementation of the emerging (REDD) strategy”.
- List World Bank safeguard policies most likely to apply.
- Specify the inter-institutional arrangements for the preparation of time-bound action plans for managing and mitigating adverse impacts.
- Include an outline of the budget for implementing the ESMF.
- Be “compliant with World Bank safeguard policies and the applicable national norms for impact screening, impact mitigation, and institutional strengthening”.<sup>99</sup>

## E. Multiple Delivery Partners

The elaboration of safeguard arrangements has been further complicated by the adoption of the new approach on piloting Multiple Delivery Partners (MDPs) in late 2010, where agencies other than the World Bank may deliver FCPF funded activities. The first pilots that have been approved are in Peru, Guyana (potential delivery partner being the Inter-American Development Bank) and Panama, Paraguay and Cambodia (potential delivery partner being UNDP).

The World Bank (as Trustee of the FCPF Readiness and Carbon Funds) advised in December 2010 that:

“If readiness preparation support under the FCPF Readiness Fund is provided by entities other than the World Bank, it will have to be determined whether the World Bank safeguard policies apply. In case a readiness activity receives co-financing (i.e., co-mingling of funds for that single activity) from the FCPF through the World Bank and other partners, **the parties will come to an agreement on a case-by-case basis on which standards and processes will be applied for a country.** In case of parallel financing (i.e., no co-mingling of funds for that single activity), the Bank follows its own procedures” (emphasis added).<sup>100</sup>

97 Annex III: SESA and ESMF, Draft Annexes to R-PP Template v.5, October 2010

98 Annex C: guidelines for the development of terms of reference (TORs) for an environmental and social management framework (ESMF) in the context of Redd-plus readiness operations supported by the FCPF, draft R-PP template v.5., October 2010

99 Annex C: guidelines for the development of terms of reference (TORs) for an Environmental and Social Management Framework (ESMF) in the context of Redd-plus readiness operations supported by the FCPF, draft R-PP template v.5., October 2010

100 R-PP Preparation Guidelines, December 2010, p 3, footnote 1

A multistakeholder Task Force has been set up to examine the question of standards among MDPs and is due to report to the FCPF Participants committee in June 2011. In case no agreement on common approaches is met, the safeguards and policies of the implementing agency would apply (though in February 2011 the Bank indicated that the MDP pilots might not go ahead without consensus in the Task Force).

#### F. Project Information Document (PID) and Integrated Safeguards Data Sheet (ISDS)

The Project Information Document (PID) and the Integrated Safeguards Data Sheet (ISDS)<sup>101</sup> are standard World Bank tools that are being adapted to the application of safeguards in FCPF activities. These are intended to specify which Bank operational policies will apply to the Readiness Preparation grant, and to serve as a public record of the way safeguards have been integrated in the R-PP in the case that the World Bank is the delivery partner.

The ISDS lists one safeguard in addition to those listed in the PID: "Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank Supported Projects" (OP/BP 4.00). If chosen, this safeguard would allow for the use of a 'country systems approach' which "would rely solely on a borrower government's social and environmental systems (e.g. a country's relevant national, sub-national, or sectoral implementing institutions and applicable laws, regulations, rules, procedures, and track records) rather than the Bank's own safeguard policies for project implementation".<sup>102</sup> The application of this safeguard approach risks undermining the rest of the safeguards, by allowing outdated and unjust national laws to take priority.

#### G. UNFCCC safeguards and harmonisation with FCPF

Annex I to the Cancun Agreements relating to REDD specifies that one of the safeguards to be 'promoted' is that that all REDD actions "complement or are consistent with the objectives of national forest programmes and **relevant international conventions and agreements** (emphasis added)."<sup>103</sup>

A further UNFCCC safeguard is that all REDD+ actions are expected to:

"Respect 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."<sup>104</sup>

The latest R-PP template and guidelines now contain new additional boxes citing parts of the UNFCCC Cancun decision on REDD safeguards, but R-PP guidance does not explain how countries and FCPF staff and agencies are supposed to comply with UNFCCC standards.

101 FCPF Readiness Fund Concept Stage, template version, 10 November 2010

102 'Country systems approach to World Bank Social and Environmental Safeguards: concerns and challenges.' Bank Information Center and the Center for International Environmental Law, December 2004. [www.bicusa.org/en/Article.1775.aspx](http://www.bicusa.org/en/Article.1775.aspx)

103 Draft decision -/CP.16. Outcome of the work of the Ad Hoc Working Group on long-term Cooperative Action under the Convention, Annex I, para 2(a) [http://unfccc.int/files/meetings/cop\\_16/application/pdf/cop16\\_lca.pdf](http://unfccc.int/files/meetings/cop_16/application/pdf/cop16_lca.pdf)

104 Annex I, para 2(c), cited in Box 2b-1 in the R-PP guidelines



FERN office UK

1C Fosseyway Business Centre, Stratford Road, Moreton in Marsh, GL56 9NQ, UK

FERN office Brussels

26 Rue d'Edimbourg 1050 Brussels, Belgium

[www.fern.org](http://www.fern.org)



Forest Peoples Programme

1C Fosseyway Business Centre, Stratford Road, Moreton in Marsh, GL56 9NQ, UK

[www.forestpeoples.org](http://www.forestpeoples.org)