

Rainforest Foundation UK and Greenpeace comments on FIP Design Document (draft dated March 11, 2009), with contributions from IndyACT and Global Witness

Dear all,

Thank you again for extending the deadline for comments on the FIP design document and information notes. We appreciate the opportunity to provide input.

Below please find a table outlining our suggested revisions and improvements to the FIP design document, to be posted with other comments on the FIP website and considered in the preparation of the final text. (Our changes are bolded in blue in the second column, “revised text”, and some explanations are provided, where needed, in the third column under “comments”.)

We look forward to continuing to work with you on this important initiative.

With best regards,

Susanne Breitkopf

Nikki Reisch

**Comments submitted by Greenpeace and Rainforest Foundation UK:**

Current text	Revised text	Comments
<p><b>I. Background</b></p> <p>7. An important objective of the SCF is to maximize co-benefits of sustainable development, particularly in relation to the conservation of biodiversity, natural resources ecosystem services and ecological processes.</p>	<p>7. An important objective of the SCF is to maximize <b>benefits</b> of sustainable development, particularly in relation to the conservation of biodiversity, natural resources ecosystem services and ecological processes, <b>and the protection of the rights of indigenous peoples and forest dependent communities and improvement of rural livelihoods.</b></p>	<p><i>“Co-benefits” should be changed to “benefits”, to avoid language that suggests that protection of rights and rural livelihoods, conservation of biodiversity, natural resources, ecosystem services and ecological processes are external, secondary benefits, when in fact they are an integral part of sustainable development.</i></p>
<p>9. The FIP will draw upon the IPCC and the IPCC Good Practice Guidance for agreed definitions and terms related to forests and climate change while recognizing the evolving vocabulary within the UNFCCC process.</p>	<p>The FIP will draw upon the IPCC and the IPCC Good Practice Guidance for agreed definitions and terms related to forests and climate change while recognizing the evolving vocabulary within the UNFCCC process. <b>A list of references for forest-related definitions applied by the FIP is found in the annex of the design document.</b></p>	<p><i>The definitions used by the FIP (for example: what constitutes a “forest”) will largely determine the kind of activities it is able to finance. Clarity on terms and definitions is therefore essential to avoid potential conflicts in the future. The IPCC may not always provide exact guidance on forest-specific definitions. We therefore propose to identify relevant recurring terms and provide references to the respective definitions that apply.</i></p>
<p><b>II. Objectives and Purpose of the FIP</b></p>	<p>11.c) To generate understanding and learning of the links between</p>	<p><i>Insert “of projects and programs” to clarify that impact assessment applies to</i></p>

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<p>11.c) To generate understanding and learning of the links between investments and outcomes – that is, by committing to apply rigorous a priori and ex post impact assessment, the FIP will ensure that the outcomes and effectiveness of FIP-supported interventions in reducing deforestation and degradation can be measured</p>	<p>investments and outcomes – that is, by committing to apply rigorous a priori and ex post impact assessment <b>of projects and programs</b>, the FIP will ensure that the outcomes and effectiveness of FIP-supported interventions in reducing deforestation and degradation can be measured</p>	<p><i>individual activities.</i></p>
<p>[no existing text]</p>	<p><i>Insert new paragraph under current paragraph 11, section on FIP objectives and purpose:</i></p> <p><b>12. The FIP will not finance activities that constitute or contribute to forest degradation and/or deforestation, including inter alia, industrial logging and conversion of natural forests to tree plantations or other types of industrial agriculture. A “FIP exclusion list” is detailed in Annex [X].</b></p>	<p><i>The design document must more clearly stipulate both the criteria for accessing the FIP and the types of activities that the FIP will not support. The aim of the FIP should not be to finance efforts to make damaging practices slightly less harmful. According to its own stated objectives it should support “transformational change” that targets the drivers of deforestation at their roots and supports new, alternative approaches to managing forests in the interests of and with respect for the rights of indigenous peoples and local communities, for the benefit of sustainable development and the global climate.</i></p>

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<p><b>III. FIP Principles</b></p> <p>12. In addition to the general SCF principles the following principles are important considerations for the FIP.</p>	<p><b>IV. FIP Principles</b></p> <p>12. In addition to the general SCF principles the following principles <b>apply to</b> the FIP:</p>	<p><i>Change “are important considerations” to “apply to”; vague expressions should be avoided.</i></p>
<p><b>12 a. Climate change mitigation potential.</b> FIP investments should lead to significant reductions in deforestation and forest degradation and promote policies and measures for improved sustainable forest management that lead to emissions reductions and/ protection, maintenance and enhancement of carbon reservoirs;</p>	<p><b>12. a. Climate change mitigation potential.</b> FIP investments should lead to significant reductions in deforestation and forest degradation and promote policies and measures to improve the <b>sustainable use of forests</b> that lead to emissions reductions and/or protection, maintenance and enhancement of carbon reservoirs;</p>	<p><i>Change “sustainable forest management” to “sustainable use of forests” to ensure coherence of language throughout the document. Also, “SFM” has a limited, rather charged connotation in the current context and has in practice often been misused to legitimize destructive activities. Try to avoid confusion.</i></p>
<p><b>12 c. Inclusive processes and participation of all important stakeholders, including indigenous peoples and local communities.</b> FIP-supported programs at the country level should be designed and implemented with the full and effective participation and involvement of – and with respect for the rights of – indigenous peoples and local communities building on existing mechanisms for collaboration and consultation. [Such participation</p>	<p><b>12. c. Inclusive processes and effective participation of all important stakeholders, including indigenous peoples and local communities.</b> FIP-supported programs at the country <b>and/or regional level</b> should be designed and implemented with the full and effective participation and involvement of – and with respect for the rights of – indigenous peoples and local communities, <b>including the right to free, prior and informed consent,</b></p>	<p><i>In order to ensure inclusiveness and opportunities for full and effective participation of Indigenous Peoples and local communities in the design and implementation of FIP activities, the FIP must ensure that its governance structures and the activities it supports are consistent with and do not undermine advances made under other international conventions and norms, such as UNDRIP and the CBD AHTEG, and that its operations are fully</i></p>

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<p>requires transparency in all phases of the FIP process, from the development of FIP [programs and strategies], to their implementation and evaluation. All stakeholders, including indigenous peoples and local communities, must have equal, full and timely access to information, including draft documents, prior to decision-making]. FIP-financed activities should, moreover, be based upon effective collaboration between indigenous peoples and local communities, government ministries, private sector companies and financial institutions in planning and implementing programs. FIP should also seek to engage other major stakeholders, such as major groups identified by Agenda 21;</p>	<p><b>consistent with international agreements, legal standards and norms, such as <i>inter alia</i> the United Nations Declaration on the Rights of Indigenous Peoples and the Convention on Biological Diversity. FIP processes should build on effective mechanisms for collaboration and consultation where they exist. Such participation requires transparency in all phases of the FIP process, from the development of FIP programs, projects and strategies, to their implementation and evaluation. All stakeholders, including indigenous peoples and local communities, must have equal, full and timely access to information, including draft documents, prior to decision-making. Opportunities must be provided for stakeholders to hold decision-makers accountable where programs, projects and strategies have not been carried out as promised through the FIP process.</b></p>	<p><i>transparent. The FIP should ensure consistency with the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, which could provide useful guidance to the FIP on stakeholder involvement and accountability.</i></p>
<p><b>12. e. Measurable outcomes and results based support.</b> The FIP should be results based over time, and should promote measurable outcomes with</p>	<p><b>12. e. Measurable outcomes and results based support.</b> The FIP should be results based over time, and should promote measurable outcomes with</p>	

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<p>regard to the effectiveness of FIP investments on REDD, livelihoods, climate resilience, biodiversity and other forest benefits. Performance measures and procedures for performance assessment should be part of the project design and should serve as a basis for course correction during the implementation;</p>	<p>regard to the effectiveness of FIP investments on REDD, <b>improvement in forest governance</b>, livelihoods, climate resilience, biodiversity and other forest benefits. <b>Transparent</b> performance measures and procedures for performance assessment should be part of the project design and should serve as a basis for course correction during the implementation;</p>	
<p><b>12 g. Forest related governance.</b> The FIP should capitalize on the lessons learned concerning inclusive and effective governance reform and support that the co-dependent relationship between such processes and forest related climate change outcomes is promoted and strengthened;</p>	<p><b>12 g. Forest related governance.</b> The FIP should capitalize on the lessons learned concerning inclusive and effective governance reform <b>and enhancement of law enforcement in other environmental sectors. FIP should support such reforms as an integral part of necessary measures and policies to ensure forest related climate change outcomes. Forest governance criteria and indicators should be integrated into project design as well as into performance assessments to ensure measurable outcomes.</b></p>	<p><i>Positive forest governance outcomes are key to any successful REDD investment strategy. Weak governance, including lack of law enforcement, corruption, and lack of recognition of and respect for communities' traditional land uses and tenure rights, have been among the main obstacles in the past to effectively reducing deforestation and degradation. Failing to include this important lesson in the FIP principles and criteria would significantly decrease its chances of success.</i></p>
<p><b>12. h. Address drivers of deforestation and degradation and avoid perverse incentives.</b> FIP pilot</p>	<p><b>12 h. Address drivers of deforestation and degradation and avoid perverse incentives.</b> FIP pilot</p>	<p><i>The FIP should maximise its flexibility (which is a potential strength of the mechanism) to support activities and</i></p>

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<p>programs must assess and address the drivers of deforestation and degradation, and ensure a holistic national approach to REDD. Economic incentives and benefits systems should support sustainable forest practices by local forest dependent communities and, where appropriate, the private sector as well as the maintenance of ecosystem services;</p>	<p>programs must assess and address the <b>direct and underlying</b> drivers of deforestation and degradation <b>within and outside</b> the forest sector, and ensure a holistic national approach to REDD. Economic incentives and benefits systems should <b>support measures that reduce or eliminate pressures on the forest and support sustainable forest practices, particularly those of Indigenous Peoples and local forest dependent communities, that do not contribute to degradation or deforestation and support</b> the maintenance of ecosystem services. <b>Such measures should include improvements in forest governance, tenure and policy regimes, and demand-side management aimed at reducing demand for and trade in timber and agricultural products derived from degraded or converted forest land;</b></p>	<p><i>measures that stem underlying pressures on the forest wherever they originate, as is necessary for lasting, transformative change, whether or not those actions can be immediately translated into emissions reductions.</i></p>
<p>12 i. <b>Safeguarding High Conservation Value Forests.</b> The FIP should safeguard High Conservation Value</p>	<p><b>12 i. Safeguarding the integrity of natural forests. Consistent with its objectives, the FIP shall safeguard</b></p>	<p><i>Comment: The concept of HCVF is too limited and not widely agreed. Since FIP activities pertain to all forests, and its</i></p>

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<p>Forests and should not support the conversion or degradation of such forests;</p>	<p><b>natural forests and shall not support the conversion, deforestation or degradation of such forests;</b></p>	<p><i>objective is to reduce deforestation and degradation, a provision to safeguard natural forests is appropriate and gives useful guidance. In fact, the FIP's very raison d'être precludes it from supporting degradation, deforestation and conversion.</i></p>
<p>12.j. <b>Contribute to sustainable development.</b> The FIP should ensure that its investments make a contribution to the livelihoods and human development of forest dependent communities as well as generate biodiversity benefits and ecosystem services. The FIP should safeguard High Conservation Value Forests;</p>	<p><b>12 j. Contribute to sustainable development. The FIP should ensure that its investments contribute to the livelihoods and human development of forest dependent Indigenous Peoples and local communities, as well as generating biodiversity benefits and ecosystem services.</b></p>	



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<p><b>V. Criteria for Selection of Pilot Programs</b></p> <p>a. Country or regional pilot countries should have the potential to lead to significantly reduced greenhouse gas emissions or further efforts to conserve, sustainably manage or enhance significant carbon reservoirs;</p>	<p><b>V. Criteria for Selection of Pilot Programs</b></p> <p>a. Country or regional pilot countries should have the potential to lead to significantly reduced greenhouse gas emissions or further efforts to conserve, sustainably manage or enhance <b>natural forests, protecting biodiversity and rural livelihoods while maintaining important carbon stocks;</b></p>	<p><i>General comment on section V: This section does not seem compatible with 21 (c), which stipulates that the development of these selection criteria will be the task of the Sub-Committee</i></p> <p><i>If the section remains however, we suggest the changes/additions to a) detailed at left.</i></p> <p><i>A participatory assessment of potential environmental, social and cultural impacts of proposed programs and projects should be a prerequisite for accessing FIP financing. The Global Indigenous Peoples Consultation on Reducing Emissions from Deforestation and Forest Degradation (REDD) recommended that: “All REDD and climate mitigation activities should be subject to stringent and independent Environmental Impact Assessments (EIA) and Social/Cultural Impact Assessments (SCIA) with the full and effective participation of Indigenous Peoples.”</i></p>
<p><b>VI. FIB Sub-Committee</b></p> <p>16. c)</p>	<p><i>The brackets should be removed from 16 c and 17.</i></p>	

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<p>[Two representatives each from indigenous peoples, NGOs, and the private sector, identified through an open and inclusive self-selection process.]</p> <p>17. [Members referred to in paragraphs 16(a) and 16(b) will be decision-making Members. Members referred to in paragraph 16(c) will be decision making members on all matters, except with respect to decisions made in accordance with paragraph 21(g) for which they will be non-decision-making members.]</p>	<p>16 c. Two representatives each from Indigenous Peoples (if they so choose), NGOs, and the private sector, identified through an open and inclusive self-selection process.</p> <p>17. Members referred to in paragraphs 16(a) and 16(b) will be decision-making Members. Members referred to in paragraph 16(c) will be decision making members on all matters, except with respect to decisions made in accordance with paragraph 21(g) for which they will be non-decision-making members.</p>	
<p>19. To ensure good linkages and effective cooperation with key partners so as to promote the efficient use of resources and complementarity with other sources of financing, the FIP-SC should seek advice from, and invite as active observers, representatives of other organizations with a mandate to promote forest and climate change investments, including the FAO, FCPF secretariat, the Global Environment Facility, ITTO,</p>	<p>19. To ensure good linkages and effective cooperation with key partners, <b>including multilateral institutions, civil society organisations, Indigenous Peoples and private sector actors</b>, so as to promote the efficient use of resources and complementarity with other sources of financing, the FIP-SC should seek advice from, and invite as active observers, representatives of <b>other inter-governmental and non-</b></p>	<p><i>Civil society actors, including Indigenous Peoples, should be clearly identified as key partners, from whom the FIP-SC should seek advice and who should be invited as active observers. Guidelines regarding the selection of observers from civil society and Indigenous Peoples should underscore the element of self-selection and recognize existing structures, as detailed under the United Nations Declaration on</i></p>

<sup>1</sup> Provisions related to observers from civil society will need to be clarified once paragraphs 16 and 17 are agreed.

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<p>UNDP, UNEP, UNFCCC, UNFF, and UN-REDD technical secretariat.</p> <p>[20. Civil society should also be invited to participate as active observers. Civil society representatives should be identified through an open and inclusive self-selection process. Equity and balanced representation should include consideration of gender representation, balanced representation among regions and balanced representation between international and local or national organizations.]<sup>1</sup></p>	<p><b>governmental organizations</b> with a mandate to promote <b>forest protection and climate change mitigation. Inter-governmental institutions should include, <i>inter alia</i>,</b> the FAO, FCPF secretariat, the Global Environment Facility, UNDP, UNEP, UNFCCC, UNFF, and UN-REDD technical secretariat.</p> <p>20. Civil society representatives should be identified through an open and inclusive self-selection process. Equity and balanced representation should include consideration of gender representation, balanced representation among regions and balanced representation between international and local or national organizations. <b>Indigenous Peoples should identify their own representatives, with due consideration for indigenous structures, or indigenous umbrella organizations, recognized under the United Nations Declaration on the Rights of Indigenous Peoples, particularly articles 32 and 34.</b></p>	<p><i>the Rights of Indigenous Peoples, particularly articles 32 and 34.</i></p>
<p><b>Functions of the FIP-SC</b> 21. j) periodically reviewing the</p>	<p><b>Functions of the FIP-SC</b> 21. j) periodically reviewing <b>and</b></p>	

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effectiveness and impact of FIP programs and activities, and ensuring that “lessons learned” are applied to future FIP investments and transmitted through the SCF Trust Fund Committee to the UNFCCC and other stakeholders; and	<b>publishing</b> the effectiveness and impact of FIP programs and activities, and ensuring that “lessons learned” are applied to future FIP investments and transmitted through the SCF Trust Fund Committee to the UNFCCC and other stakeholders;	
<p><b>VIII. FIP Programming Processes</b></p> <p>28. After endorsement of the investment strategy by the FIP-SC, ... The processing of a program or project will follow the MDB’s policies and procedures for appraisal, MDB approval and supervision [including the relevant MDB’s disclosure policy]. [Proposed programs and projects will be made publicly available in-country and on the FIP website at the same time as they are submitted to the FIP-SC, allowing sufficient time for public review and comment before FIP-SC approval].</p>	<p><b>VIII. FIP Programming Processes</b></p> <p>28. After endorsement of the investment strategy by the FIP-SC, ... The processing of a program or project will follow the MDB’s policies and procedures for appraisal, MDB approval and supervision <b>including the relevant MDB’s disclosure policy. Documents related to proposed programs and projects will be made publicly available in-country and on the FIP website at the same time as they are submitted to the FIP-SC, allowing sufficient time for public review and comment before FIP-SC approval.</b></p>	<i>Remove brackets around paragraph 28 and insert text proposed at left.</i>
29. Pilot countries should establish, or identify an existing, cross-cutting multi-stakeholder national level steering committee to assist in program planning, implementation, monitoring and evaluation.	29. Pilot countries should establish, or identify an existing, cross-cutting multi-stakeholder national level steering committee to assist in program planning, implementation, monitoring and evaluation, <b>which should include representatives of local governments,</b>	

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	<p><b>Indigenous Peoples’ groups, local community, NGOs, private enterprises and other members of civil society.</b></p>	
<p><b>[IX. INDIGENOUS PEOPLES AND LOCAL COMMUNITIES DEDICATED INITIATIVE</b></p> <p>30. The full and effective, continuous participation of indigenous peoples and local communities in the design and implementation of FIP pilot programs and national investment plans is crucial to their success, and will be highly dependent on strengthening the capacity of these groups to play an informed and active role in national REDD processes in general and FIP processes in particular, as well as on recognizing and supporting their tenure rights, forest stewardship roles, and traditional forest management systems. Specific grants should be made available to indigenous peoples and local communities as a component to each of the pilot programs.</p>	<p><b>IX. INDIGENOUS PEOPLES AND LOCAL COMMUNITIES DEDICATED INITIATIVE</b></p> <p>30. The full and effective, continuous participation of <b>Indigenous Peoples and local communities in the design and implementation of FIP pilot programs and national investment plans is a logical consequence of their rights under international agreements and norms, and is crucial to the success of those programs.</b> This participation will be highly dependent on strengthening the capacity of these groups to play an informed and active role in national REDD processes in general and FIP processes in particular, as well as on recognizing and supporting their tenure rights, forest stewardship roles, and traditional forest management systems. Specific grants should be made available to indigenous peoples and local</p>	<p><i>Subject to support from Indigenous Peoples’ organizations (as conveyed by representatives attending design meetings), remove brackets around entire section IX and insert text proposed at left.</i></p>

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	communities as a component of each of the pilot programs.	
<p><b>X. Monitoring and Evaluation</b>            33. Country level monitoring and evaluation should be coordinated through the multi-stakeholder national level steering committee referred to in paragraph 29.</p>	<p><b>X. Monitoring and Evaluation</b>  <b>33.</b> Country level monitoring and evaluation should be coordinated through the multi-stakeholder national level steering committee referred to in paragraph 29. <b>Monitoring at the country level should be independent, participatory (including through involvement of Indigenous Peoples, local communities and CSOs in data collection and analysis), transparent, and independently verified. Systems of independent forest monitoring (IFM) developed over the last decade can be adapted to incorporate REDD, and should be developed where they do not exist. This type of monitoring will enable independent assessment of the legal, social, economic, enforcement and management dimensions of forest governance that will be vital to the long-term success of any efforts to reduce or prevent deforestation and forest degradation.</b></p>	
<p>34. The FIP-SC should report to the SCF Trust Fund Committee on results, outcomes and lessons learned of the pilot</p>	<p>34. Lessons learned and results achieved through the FIP <b>will be made publicly available.</b> ... Performance criteria</p>	<p><i>Procedures for monitoring and evaluation need further clarification and should include provisions for</i></p>

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<p>programs achieved at the programmatic, country and project level...Lessons learned and results achieved through the FIP should be published and made publicly available. Full reporting criteria and a performance measurement framework will be proposed by the FIP-SC and approved by the Trust Fund Committee of the SCF. Performance criteria should include, but not be limited to, emissions reductions achieved or emissions avoided.</p>	<p>should include, but not be limited to, emissions reductions achieved or emissions avoided. <b>Criteria must also include indicators of forest governance, including conflict management, clarity of land tenure, improved capacity and coordination of government agencies, forest law enforcement, and respect for rights, as well as indicators of biodiversity maintenance and socioeconomic/livelihood impacts.</b></p>	<p><i>independent monitoring and verification of activities and impacts, as well as participation of indigenous peoples and local communities in monitoring activities (data collection) and evaluation. Performance criteria should also explicitly address forest governance, biodiversity, and socioeconomic impacts, in addition to any measures of emissions reductions. Similar proposals were also introduced at the last FCPF Participants' Committee meeting in order to strengthen monitoring and reporting in the facility. It would thus reinforce coherence between the two initiatives.</i></p>