Forest Carbon Partnership Facility

Overview of the FCPF and Engagement with Indigenous Peoples

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Pan Africa Indigenous Peoples Dialogue | Arusha, Tanzania | April 19-24, 2012

Outline

1. Introduction to REDD+
2. Overview of the FCPF
3. Indigenous Peoples and the FCPF

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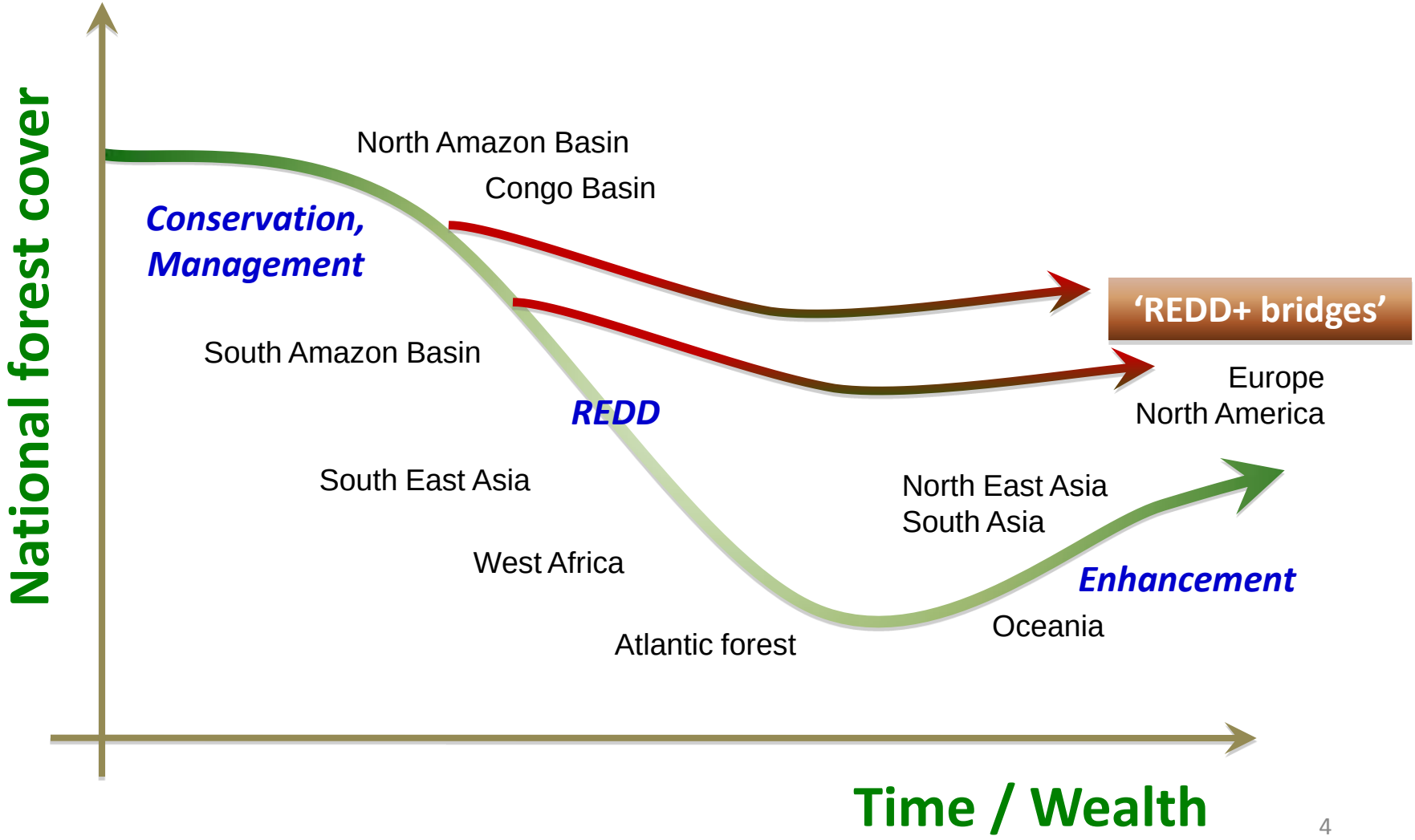
Why REDD+?

Forest Transition Curve



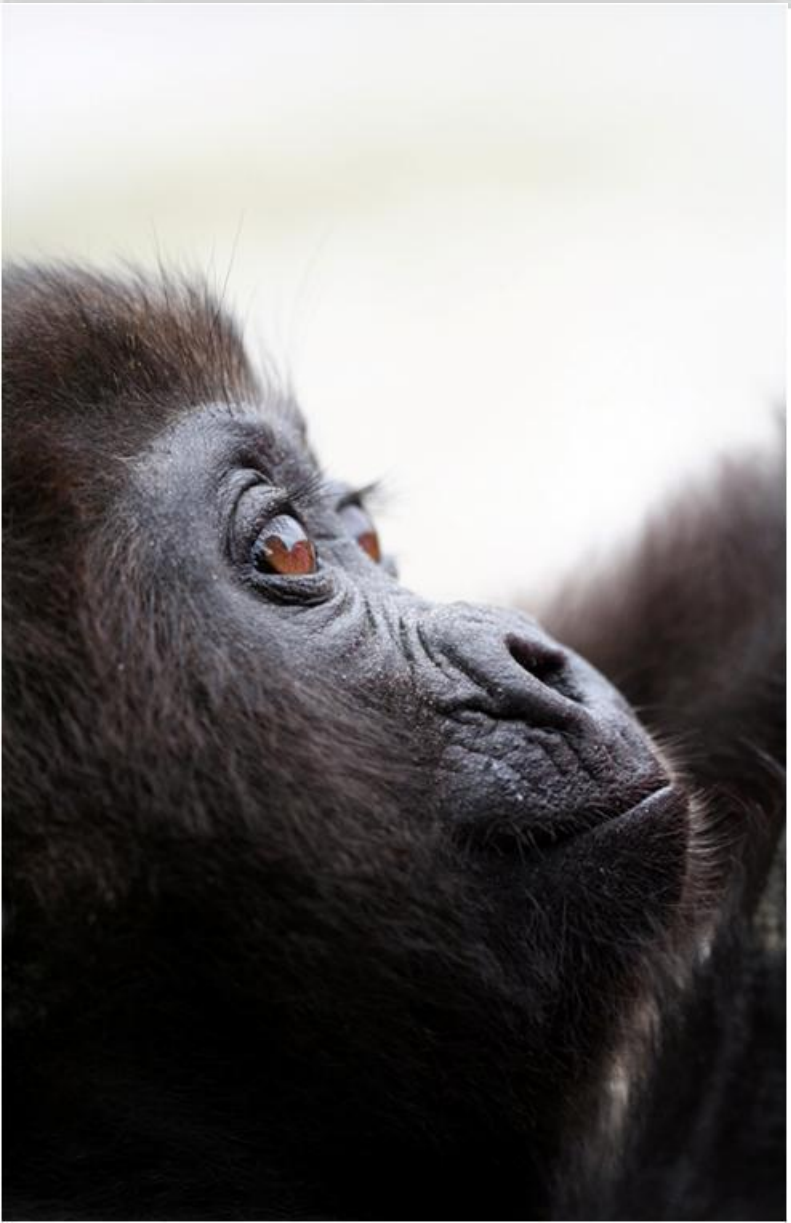
Scope of REDD+

- Developing country activities eligible for support :
  - **Reducing emissions from deforestation** (actions to diverge from the reference level by reducing the conversion of forest to non-forest)
  - **Reducing emissions from forest degradation** (diverging from the reference level by reducing the gradual loss of biomass due to activities under the canopy)
  - **Conservation** (continued good stewardship of forests, even without threat of deforestation or forest degradation)
  - **Sustainable management of forests** (reducing emissions through harvesting activities with lower impact)
  - **Enhancement of forest carbon stocks** (enhanced sequestration of carbon through afforestation, reforestation and restoration of forest land)
- No quantification of global deforestation target (as debated in Copenhagen and Cancun)

REDD+: Key Outcomes of COP16 (Cancun)

- Historical development
  - For the first time, the importance of stemming the loss of tropical forests for mitigating global climate change with financial support from the industrialized world is enshrined in an international agreement
    - Outcome of 5 years of focused and intense negotiations
  - The Kyoto Protocol's Clean Development Mechanism (CDM) has only allowed incentives for afforestation and reforestation (A/R) in developing countries, only through projects, and not to exceed 1% of 1990 emissions
    - Now whole countries will be able to receive incentives for much more than just planting trees, subject to verification that emissions have been reduced against a reference level

Elements of REDD+



Developing countries, in accordance with national circumstances and respective capabilities, should develop:

1. Plans: Strategy or action plan
2. Reference Levels: Forest reference emission level
3. Monitoring: Forest monitoring system for robust and transparent monitoring and reporting of activities
4. Safeguards: System for providing information on how safeguards will be addressed and respected throughout the implementation of activities

Phases of REDD+

- Phased approach
  - 'Phase 1': national strategies and capacity building
  - 'Phase 2': implementation of strategies
  - 'Phase 3': results-based activities that are fully measured, reported and verified (MRV'ed)
- 3 phases are not strictly sequential – overlaps exist

Scale of REDD+

- Accounting
  - Emissions from forests will have to be accounted for (reference level + MRV) at the national level, possibly starting at the sub-national level as an interim measure
    - Depending on national circumstances
    - Subject to further modalities from Subsidiary Body for Scientific and Technological Advice (SBSTA)
  - For Phase 3 activities:
    - Reference level: Must be national, possibly a combination of sub-national reference levels
    - MRV: May require biennial national greenhouse gas inventories
- Implementation
  - Sub-national programs are accepted, but within national systems framework

Safeguards for REDD+ (1)

- Annex I: REDD+ activities will have to support and promote safeguards, though not at the expense of national sovereignty, in particular:
  1. Overarching framework of national development priorities
  2. Multiple uses of forests are recognized
  3. Knowledge and rights of indigenous peoples and local communities must be respected
  4. Indigenous peoples and local communities must be able to participate fully and effectively
  5. National forest governance structures must be transparent and effective, taking into account national legislation and sovereignty
  6. REDD+ must not lead to conversion of natural forests into plantations
  7. REDD+ must avoid displacement of emissions (leakage) and reversals (non-permanence)

Safeguards for REDD+ (2)

- Decision takes note of adoption by the General Assembly of the UN Declaration on the Rights of Indigenous Peoples (including free, prior and informed consent)
- UNFCCC mandates that countries provide information on how safeguards will be addressed and respected
- This text is much stronger than, e.g., the CDM, where it is left up to host countries of projects to define 'sustainable development'

Finance for REDD+ in UNFCCC

- Multiple sources of finance for REDD+
  - Public & private
  - Bilateral, multilateral & alternative
  - Phases 1 and 2: Bilateral and multilateral assistance (to help countries develop their national strategies for REDD+, build their capacity and undertake demonstration activities)
  - Phase 3: COP17 from Durban provides for “appropriate market-based approaches” could be developed that ensure “environmental integrity” (i.e., neutrality or reduction in emissions) and fully respect the safeguards for REDD+

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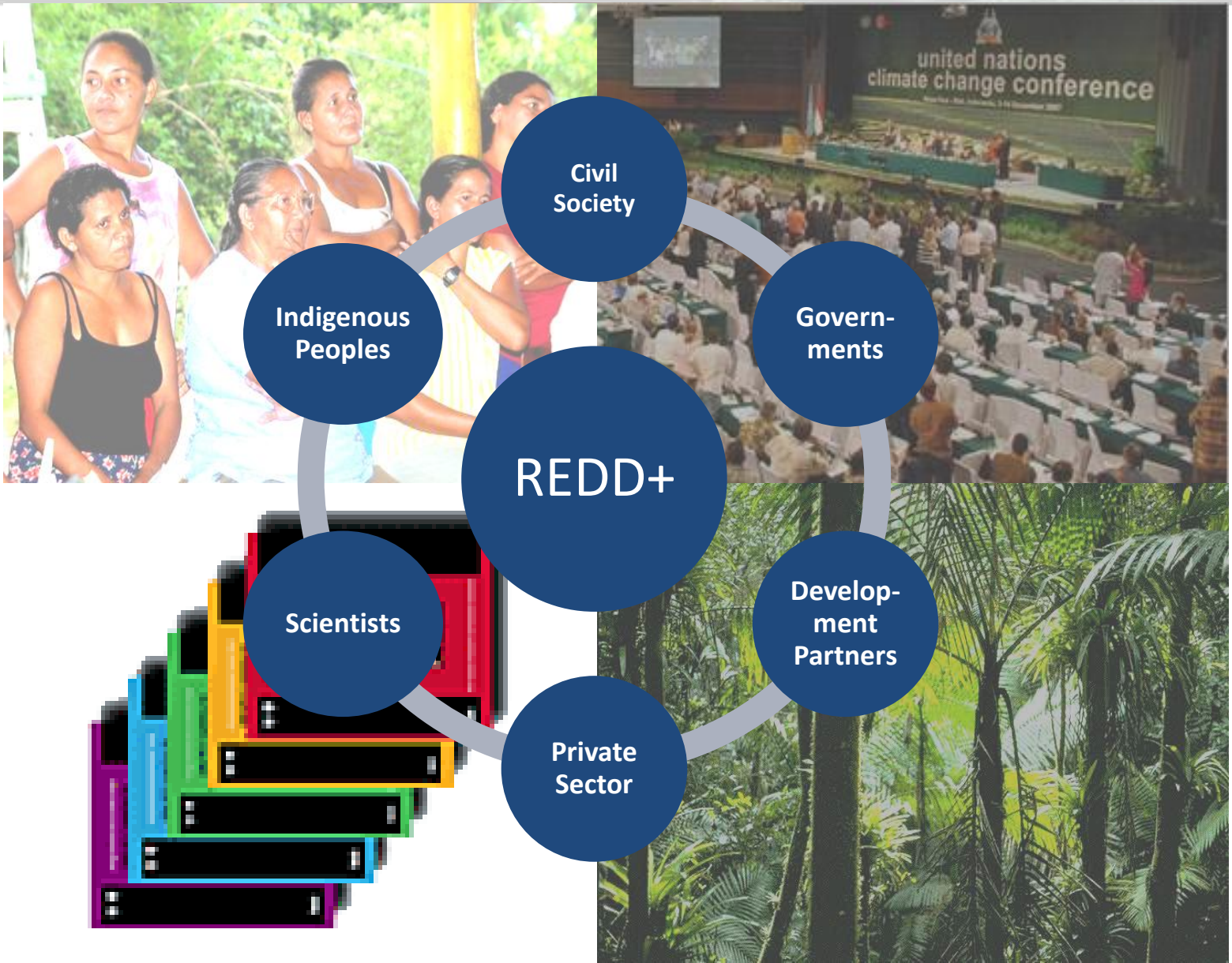
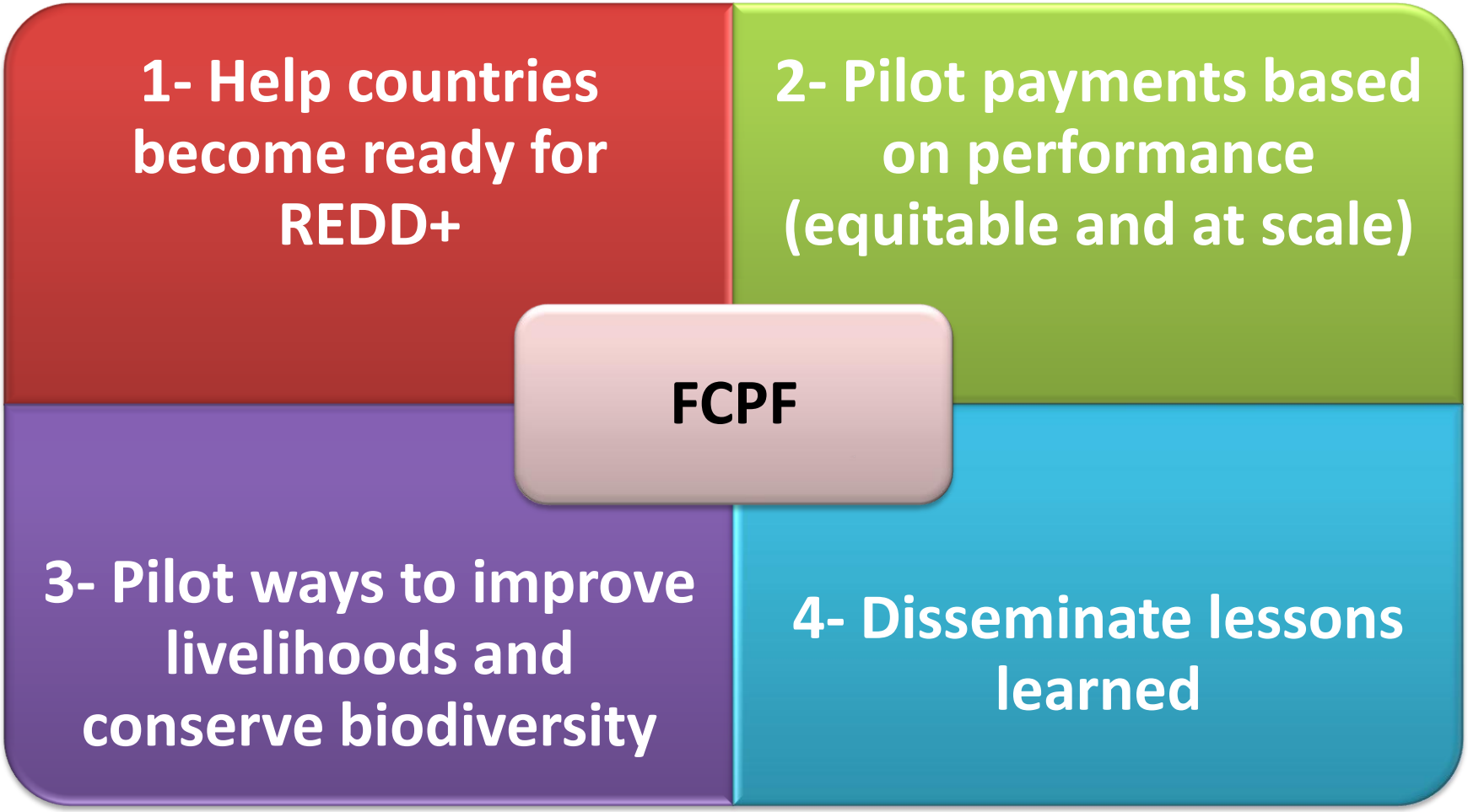
2. Overview of the FCPF
3. Indigenous Peoples and the FCPF

FCPF: A Partnership to Make REDD+ Happen



FCPF and REDD+: Strategic Objectives



FCPF and the UNFCCC

- Not the same thing
  - FCPF is a demonstration activity, the design of which started in 2006 (before COP13 in Bali)
  - Funded voluntarily
  - Aligns with the emerging policy guidance of the UNFCCC
  - Informs the UNFCCC negotiations through country-led implementation
  - FCPF has a set lifetime: due to close in 2020
- FCPF and Phases of REDD+
  - Phases 1 and 2

FCPF: Structure and Governance (1)

Participants Assembly (PA), incl. Observers from IPs & CSOs

Participants Committee (PC), incl. Observers from IPs & CSOs

Technical Advisory Panels (TAPs)

Secretariat (FMT)

Trustee (World Bank)

Readiness Fund

- 36 countries
- Grants and technical assistance

Carbon Fund

- ~5 countries
- Payments for verified emission reductions

Delivery Partners

FCPF: Structure and Governance (2)

- FCPF was designed with responsibilities given to the World Bank (WB) to serve 3 roles:
  1. Trustee (fund management)
  2. Secretariat (Facility Management Team, providing overall coordination)
  3. 'Delivery Partner' (DP, i.e., implementing agency)
- WB operational policies and procedures apply (when the WB acts as DP)
- WB is not a decision maker in the PA or PC

FCPF: Structure and Governance (3)

- Multiple Delivery Partner Arrangement
  - Pilot arrangement approved in 2011
  - Max 10 countries in the pilot phase
    - FAO, IDB and UNDP approved as DPs
    - 9 countries out of 10 approved individually and paired with DP other than the WB (IDB and UNDP)
  - Decision to operationalize the MDP arrangement subject to
    - Review of lessons learned
    - Mid-term review of 2 countries per DP

FCPF: Structure and Governance (4)

MDP arrangement is an FCPF-specific mechanism, different from the UN-REDD Programme

FCPF (Multiple Delivery Partners)	**UN-REDD Programme**
• FAO • IDB • UNDP • World Bank	• FAO + UNDP + UNEP

FCPF: Financial Contributors

Readiness Fund
$230 m

- Australia
- Canada
- Denmark
- Finland
- France (AFD)
- Germany
- Italy
- Japan
- Netherlands
- Norway
- Spain
- Switzerland
- UK
- USA

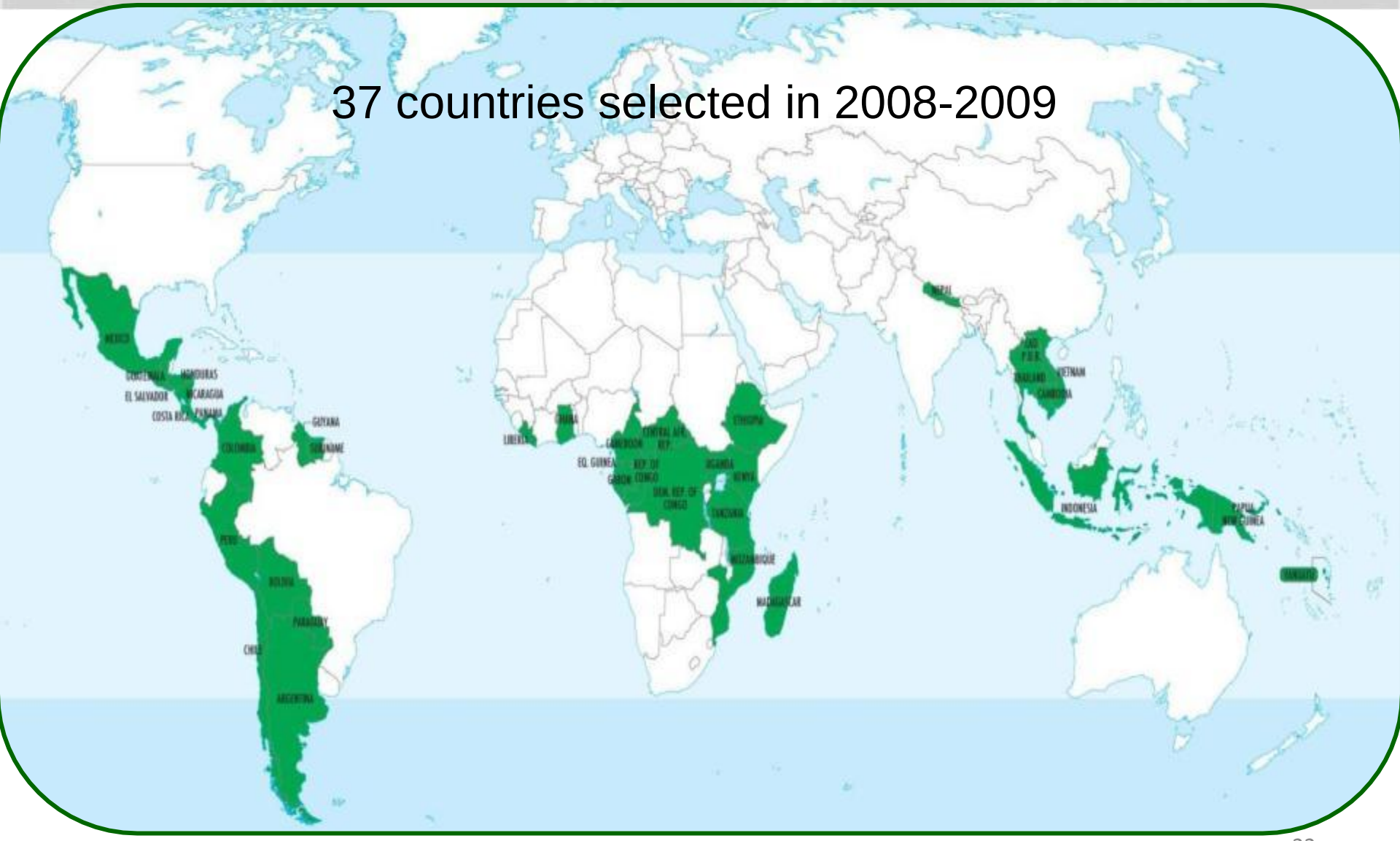
Support preparation for REDD+ (2008-2020)

Carbon Fund
$213 m

- Australia
- BP
- Canada
- CDC Climat
- European Commission
- Germany
- Norway
- Switzerland
- The Nature Conservancy
- UK
- USA

Pay for emission reductions (2011-2020)

Readiness Fund: Country Participation Status (1)



Readiness Fund: Country Participation Status (1)
(as of April 15, 2012)

- 23 countries have submitted a Readiness Preparation Proposal and received allocation for a Readiness Preparation Grant

Africa	Asia	Latin America & Caribbean
Cent. African Rep.	Cambodia	Argentina
DR Congo	Indonesia	Colombia
Ethiopia	Lao PDR	Costa Rica
Ghana	Nepal	Guatemala
Kenya	Vietnam	Guyana
Liberia		Mexico
Mozambique		Panama
Republic of Congo		Peru
Tanzania*		
Uganda		

* No grant funding requested from FCPF

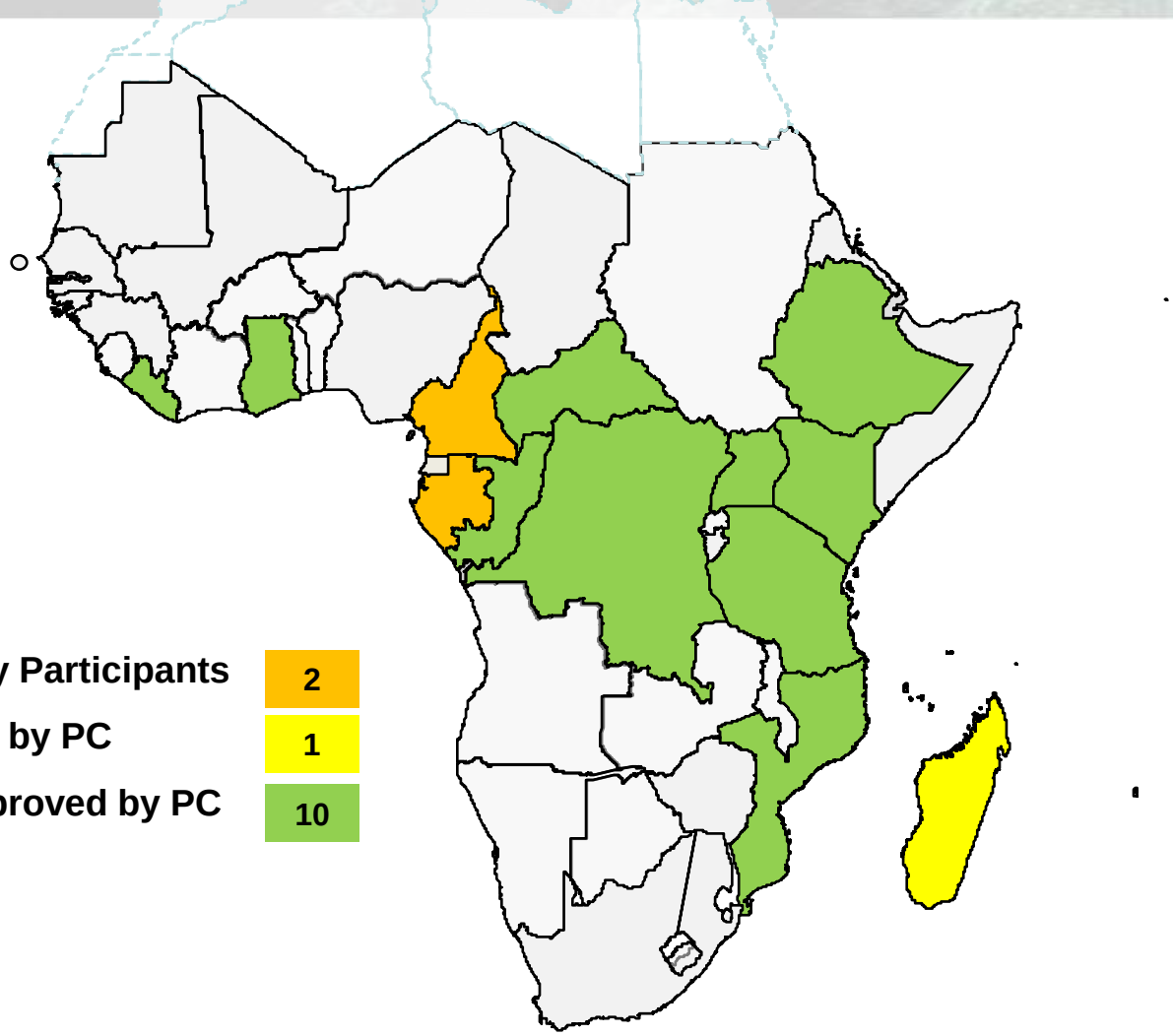
Readiness Fund: Country Participation Status (2)
(as of April 15, 2012)

- 12 additional countries have requested access to Readiness Fund
  - Belize
  - Bhutan
  - Burundi
  - Chad
  - Côte d'Ivoire
  - Jamaica
  - Nigeria
  - Pakistan
  - Philippines
  - Sri Lanka
  - Sudan
  - Togo
- PC will decide whether and under what conditions to reopen the Readiness Fund (March 2013)
  - No commitments & no financial support until then
  - Necessary (but not sufficient) condition of selection: Draft R-PP

Readiness Fund: Country Participation Status (3)
(as of April 15, 2012)

- 1 country did not sign its Participation Agreement
  - Equatorial Guinea: May reapply to the FCPF
- 2 countries have not indicated whether/when they would submit an R-PP:
  - Bolivia
  - Gabon

Readiness Fund: Participation in Africa
(as of April 15, 2012)

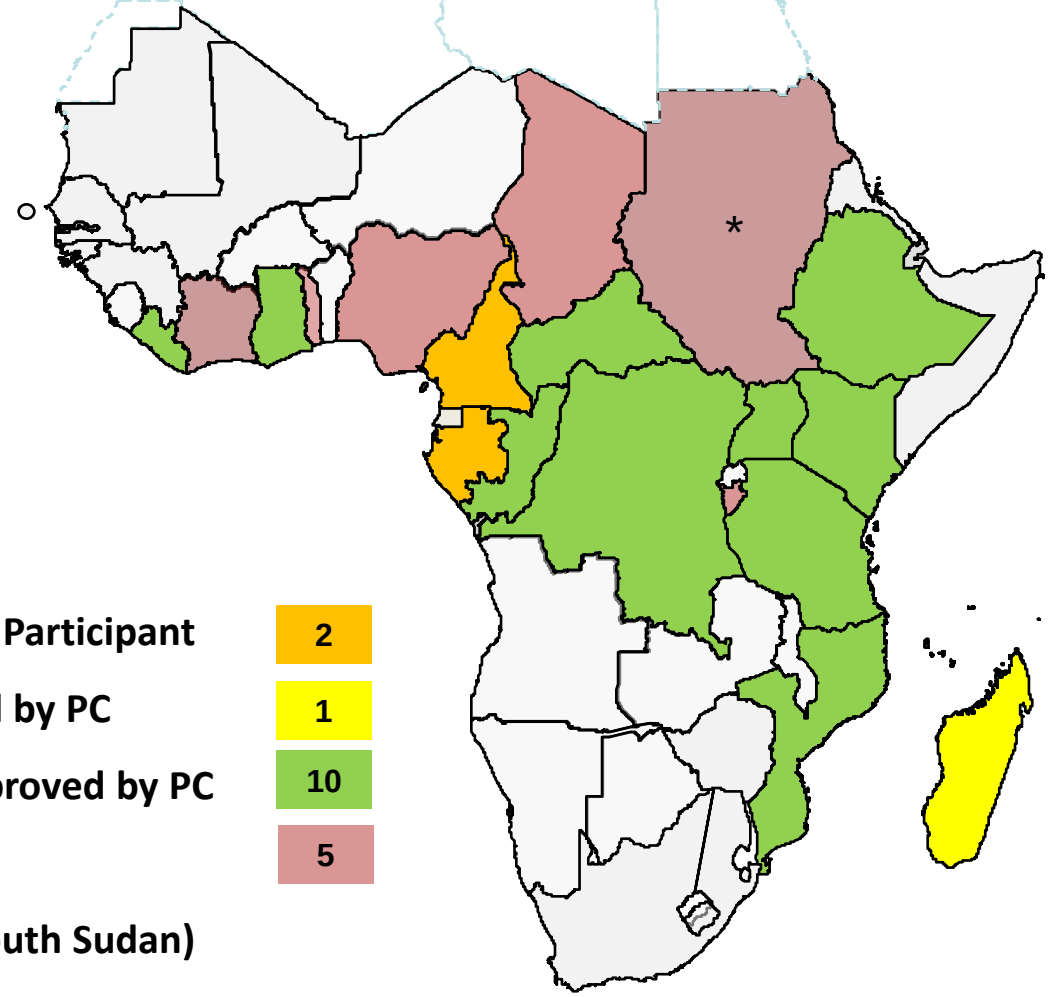


FCPF REDD Country Participants	2
Draft R-PP reviewed by PC	1
Readiness grant approved by PC	10

FIP in Africa: Burkina Faso, DRC, Ghana

REDD Country Participants + Candidates in Africa

(as of April 15, 2012)



FCPF REDD Country Participant	2
Draft R-PP reviewed by PC	1
Readiness grant approved by PC	10
Candidate Country	5

* Sudan only (not South Sudan)

FIP in Africa: Burkina Faso, DRC, Ghana

Readiness Fund (1)

Formulation and implementation of national Readiness Preparation Proposal (R-PP)

Readiness Fund (2)

R-PP Outline

Component 1: Organize and Consult

1a. National Readiness Management Arrangements

1b. Information Sharing and Early Dialogue with Key Stakeholder Groups

1c. Consultation and Participation Process

Component 2: Prepare the REDD+ Strategy

2a. Assessment of Land Use, Forest Law, Policy and Governance

2b. REDD+ Strategy Options

2c. REDD+ Implementation Framework

2d. Social and Environmental Impacts during Readiness Preparation and REDD+ Implementation

Component 3: Develop a Reference Level

Component 4: Design a Monitoring System

4a. Emissions and Removals

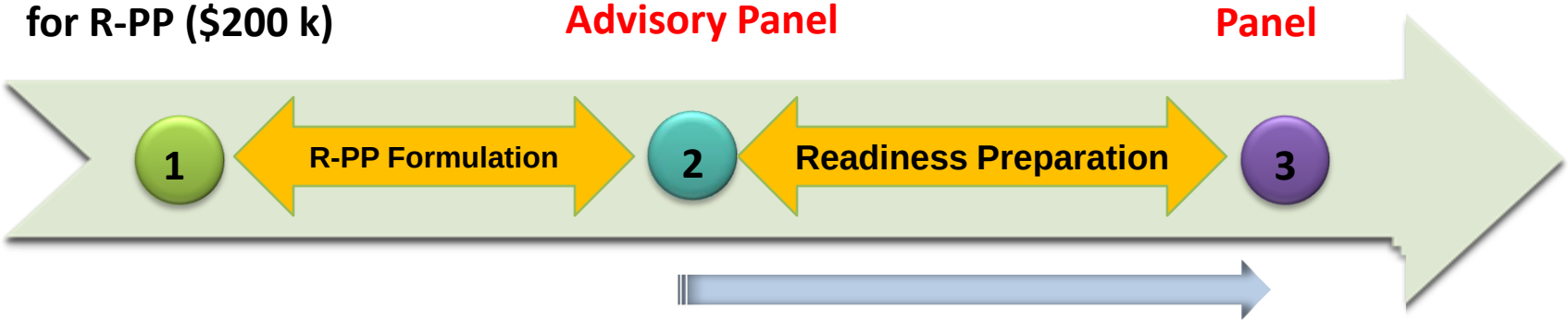
4b. Multiple Benefits, Other Impacts, and Governance

Readiness Fund (3)

Selection of Country in partnership (R-PIN) + formulation grant for R-PP ($200 k)

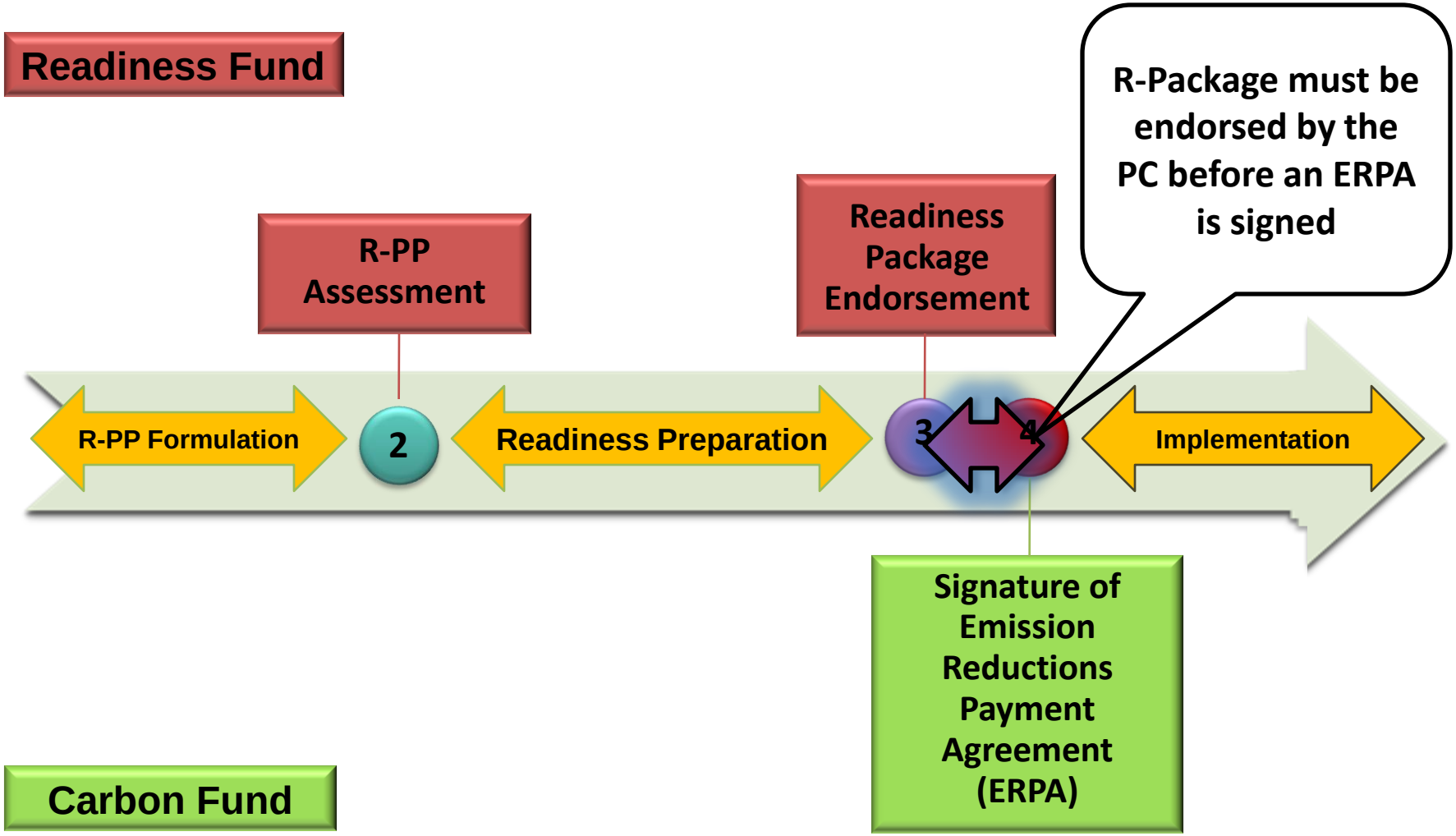
R-PP assessment and allocation of Readiness Preparation grant ($3.8 m) by Participants Committee, with support from Technical Advisory Panel

Endorsement of Readiness Package by Participants Committee, with support from Technical Advisory Panel



Execution of the R-PP by Country; Due diligence and supervision by Delivery Partner

From Readiness to Carbon Finance



Next FCPF Meetings

- June 23-29, 2012 (Santa Marta, Colombia)
  - June 23: PC Working Group on Carbon Fund
  - June 24-25: CF4
  - June 26: Workshop on country needs assessment & pre-PC meetings on Readiness Package + Carbon Fund
  - June 27-29: PC12
  - June 30: Field trip
  - July 1-2: REDD+ Partnership
- October 2012 (Brazzaville, Republic of Congo)
  - Pre-meetings on Readiness Package + Carbon Fund
  - PA5 & PC13
  - CF5
  - Back-to-back with UN-REDD PB9
- March 2013 (Washington, DC)
  - CF6
  - PC14
  - Back-to-back with UN-REDD PB10

FCPF, FIP, GEF and UN-REDD

(1) National strategies and capacity building

- UN-REDD
- FCPF Readiness Fund
- GEF

(2) Implementation of strategies

- FIP (investments)
- UN-REDD (investments + capacity building)
- GEF (investments + capacity building)
- FCPF Carbon Fund (carbon finance)

(3) Results-based activities that are fully measured, reported and verified

- ?

Multilateral Finance for REDD+
(estimate as of April 15, 2012)

CBFF	FCPF	FIP	GEF	ITTO	UN-REDD
• Since 2008 • Support to REDD+ projects in Congo Basin • Phases 1 & 2 • $200 m	• Since 2008 • 36 countries • Readiness Fund (phase 1): $230 m • Carbon Fund (phase 2): $213 m	• Since 2009 • 8 countries • Investments (forest sector & beyond) (phase 2) • Phase 2 • $600 m • Dedicated Grant Mechanism for Indigenous Peoples and local communities	• Since 1991 • Global (GEF5) • Phases 1 & 2 • Financing under various focal areas may be combined (biodiversity, climate change, degradation) • Additional fund for land-use change and sustainable forest management: $250 m	• Since 2009 • 8 countries (ITTO REDDES) • Support to sustainable management, restauration and environmental services projects • Phases 1 & 2 • $18 m (target)	• Since 2008 • 42 countries • National programs • Global program • Phases 1 & 2 • $151 m

Σ = ~$1.6 billion ('fast start' and beyond)

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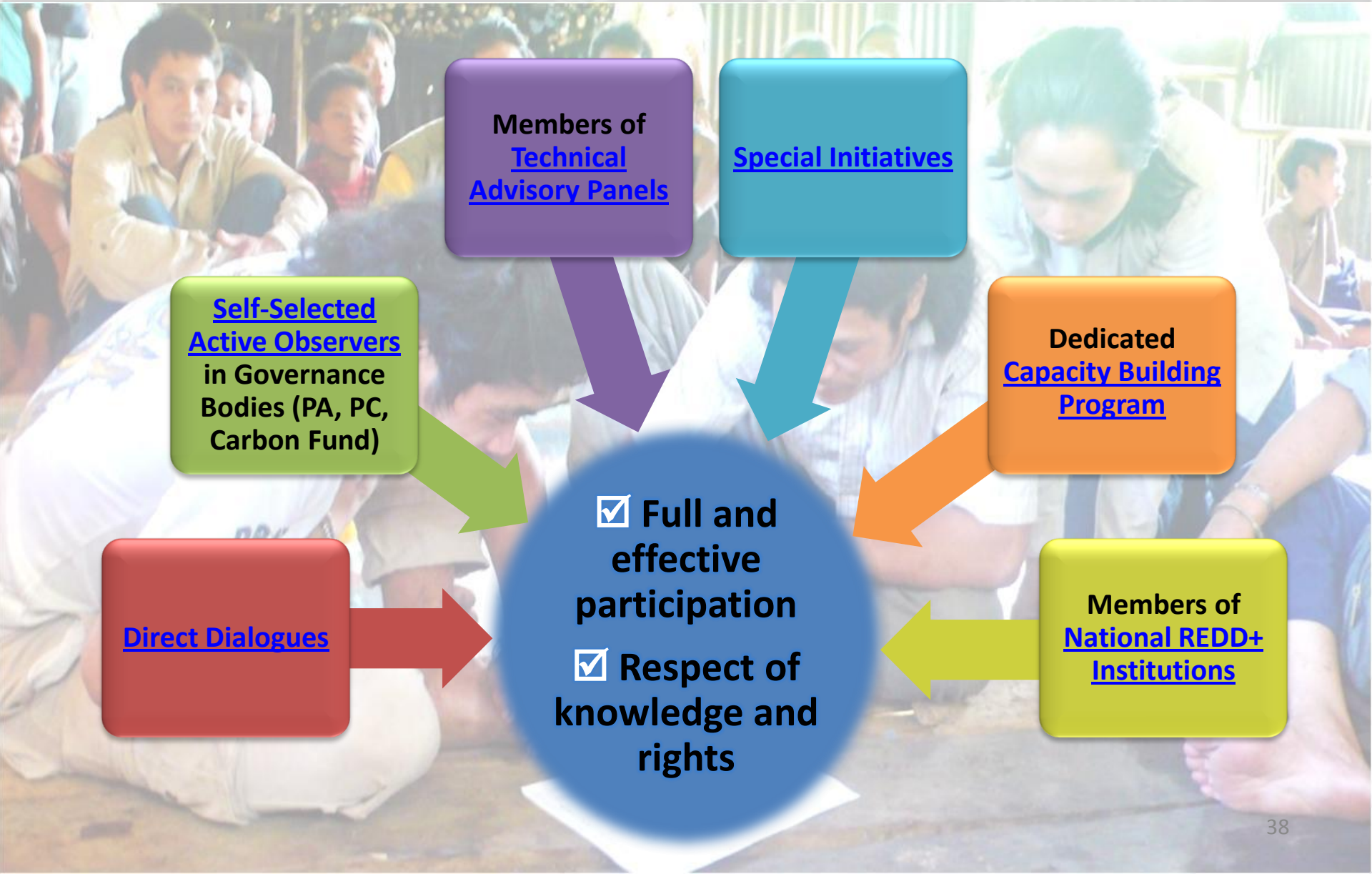
Indigenous Peoples in the FCPF: Rationale for Engagement (1)

- Forest-dependent Indigenous Peoples and local communities are
  - Are key to the success of REDD+
    - Knowledge about forests
    - Presence on the ground for protection and monitoring
  - Are vulnerable if REDD+ is poorly designed and/or implemented
    - Rights not well defined
  - Enjoy special safeguards in UNFCCC and CBD decisions on REDD+
    - Full and effective participation
    - Respect of knowledge and rights

Indigenous Peoples in the FCPF: Rationale for Engagement (2)

- FCPF Charter definition
  - "Forest-Dependent Indigenous Peoples and Forest Dwellers"
  - Forest Dwellers include non-Indigenous Peoples who depend on forests
- Joint "FCPF /UN-REDD Guidelines on Stakeholder Engagement in REDD+ Readiness; with a Focus on the Participation of Indigenous Peoples and Other Forest-Dependent Communities"
  - In draft since 2010
  - Finalized by the two Secretariats March 25, 2012
  - Final version

Indigenous Peoples in the FCPF: 6 Points of Engagement



Indigenous Peoples in the FCPF: Direct Dialogues and Beyond

- 3 workshops held prior to start of FCPF operations (2008)
  - Kathmandu, Nepal
  - Bujumbura, Burundi
  - La Paz, Bolivia
- 1 global dialogue
  - Guna Yala, Panama (September 2011)
- 3 regional dialogues
  - Arusha, Tanzania (April 2012)
  - Peru (August 2012)
  - Pokhara, Nepal (September 2012)
- 1 global dialogue
  - Indonesia (October 2012)?
- Participation in numerous meetings and workshops
  - UNFCCC, UNPFII, COICA, UN-REDD, etc.

Indigenous Peoples in the FCPF: Self-Selected Observers to Governance Structure (1)

- Invited to all FCPF meetings with financial support, full access to information and full rights to participate
  - All Participants Assembly and Participants Committee meetings, including plenary discussions & crafting of resolutions in Contact Groups
  - Working Group on methodology and pricing for Carbon Fund
  - Task Force on Common Approach
- Expectation that they will prepare for these meetings by contacting their regional networks, and disseminate information in their regions after the meetings

Indigenous Peoples in the FCPF: Self-Selected Observers to Governance Structure (2)

- Self-selection process since mid-2011
  - Africa
    - Anglophone: Nicholas Meitiaki Soikan
    - Francophone: Kapupu Diwa Mutimanwa
  - Asia
    - Joan Carling (alternate Pasang Dolma Sherpa)
  - Latin America & Caribbean
    - Meso-America: Onel Masardule
    - South America: Edwin Vasquez (alternate Diego Escobar)

Indigenous Peoples in the FCPF: Members of Technical Advisory Panels

- Ad Hoc Technical Advisory Panels formed to review each national Readiness Preparation Proposal (R-PP)
  - International experts
  - National experts
  - 1 indigenous expert or specialist in community rights

Indigenous Peoples in the FCPF: Special Initiatives

- Community-based monitoring
  - International workshop in Mexico City (September 2011) on sharing experiences across countries, including civil society organizations, Indigenous Peoples and governments
  - Paper prepared by Tebtebba before workshop analyzing environmental and social standards for REDD+
  - Follow-up regional workshops
    - Asia: Vietnam, September 2012 (TBD) with SNV

Indigenous Peoples in the FCPF: Dedicated Capacity Building Program (1)

- $200,000 per year since 2009
- Expansion of existing program to ~$3.5 million (FY12-15)
  - Activities: ~$2.2 million
  - Travel & operational budget: ~$360,000
  - 3 regional + 1 global dialogues (in addition to Guna Yala): $940,000
- Subject to:
  - Possible change in modalities (vendor or small grants)

Indigenous Peoples in the FCPF: Dedicated Capacity Building Program (2)

- Examples
  - Global level: International Indigenous Peoples' technical workshop with governments before COP16 (Mexico)
  - Regional level:
    - IPACC (Africa) organized workshops and produced toolkit on REDD+ to be used for training of trainers at country level
    - FIPAC (Congo Basin)
  - National level:
    - DRC: Groupe de travail climat REDD de la société civile
    - Republic of Congo: National Platform for Civil society Organizations

Indigenous Peoples in the FCPF: Members of National REDD+ Institutions

- REDD+ won't succeed unless the national management arrangements are inclusive of Indigenous Peoples and local communities
  - FCPF country visits have facilitated dialogue and design of national REDD+ committees that includes Indigenous Peoples and local communities
  - Social development specialists from Delivery Partners & Facility Management Team
  - Guidelines in R-PP template
  - Joint "FCPF/UN-REDD Guidelines on Stakeholder Engagement in REDD+ Readiness; with a Focus on the Participation of Indigenous Peoples and Other Forest-Dependent Communities"


Asante
Thank you
Merci
Obrigado
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