IDB Safeguards and REDD+

Environmental Safeguards Unit (VPS/ESG)
Gender & Diversity Unit (SCL/GDI)
Environment, Rural Development and Disaster Risk Management (INE/RND)
Sustainable Energy and Climate Change Unit (INE/ECC)
September 15th, 2010

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- Forest Investment Program (FIP)

1. IDB Safeguard Policies

- Environment and safeguards (OP-703)
- Involuntary resettlement (OP-710)
- Indigenous peoples (OP-765)
- Gender equality in development

Environment and Safeguards Policy Directive B2 & B4 (OP-703)

- Compliance with country laws
  - National obligations under ratified agreements
- Other risk factors including
  - Governance capacity
  - Vulnerability to natural disasters

Environment and Safeguards Policy Directive B6 & B7 (OP-703)

- Consultations with “affected” parties
  - Appropriate information
  - Inform and “consider” views
- Supervision and compliance
  - Monitoring safeguard requirements

Environment and Safeguards Policy Directive B8 (OP-703)

- Trans boundary impacts
  - Environmental assessment address trans boundary impacts
  - Leakage in REDD+

Environment and Safeguards Policy Directive B9 (OP-703)

- Critical natural habitats
  - Legally protected
  - High conservation value
- Natural habitats
  - Offsets requirement
- Indirect impacts

Involuntary Resettlement Policy (OP-710)

- Scope:

  - Any involuntary physical displacement of people caused by a Bank financed project

- Objectives:

  - Avoid or minimize physical minimize the disruption of the livelihood of people living in the project's area of influence

  - Ensure equitable treatment

  - Target benefit sharing

- Alternatives:

  Costs, magnitude, vulnerability, uniqueness of assets, new site/reduced footprint, NO project.

IDB

Involuntary Resettlement Policy (OP-710)

- Special Consideration: Degree of Complexity

- Impoverishment Risks
- Vulnerability
- Indigenous or traditional rural groups (strong socio-cultural ties to the land)
- Conflicts of interest
- Resource Competition
- Informality

Mainstreaming Indigenous Peoples Policy (OP-765)

- Support IP development through independent operations
- Ensure that IP benefit from general projects financed by the Bank, develop socio-cultural adaptations, consultation and participation of IP in project design and implementation

Safeguards Indigenous Peoples Policy (OP-765)

- Prevent or mitigate adverse impacts on IP or their individual or collective rights or assets
- Prior consultation in projects for natural resource extraction and management and protected areas management
- Fair compensation for adverse impacts on rights and communities
- Participation in project benefits

Process Indigenous Peoples Policy (OP-765)

- Evaluation of potential impacts + preliminary consultation prior to project design
- Incorporate “industry standard” mitigation measures + consultation and good faith negotiation
- Significant impacts will require consultation with groups and their consent to mitigation measures

Challenges Indigenous Peoples Policy (OP-765)

- Legal status of indigenous lands and access to resources is a “moving target” with high degree of uncertainty and large areas of claimed but not recognized indigenous territories
- Consultation versus consent standard difficult to implement

2. IDB's Engagement on Forest Protection and Conservation

- The IDB has over two decades of engagement on protection and conservation of forests.
- IDB has financed US$ 211 million in operations that helps to prevent and control deforestation (9 countries in LAC & 12 projects last 3 years).

Ecuador: LT and LA Program

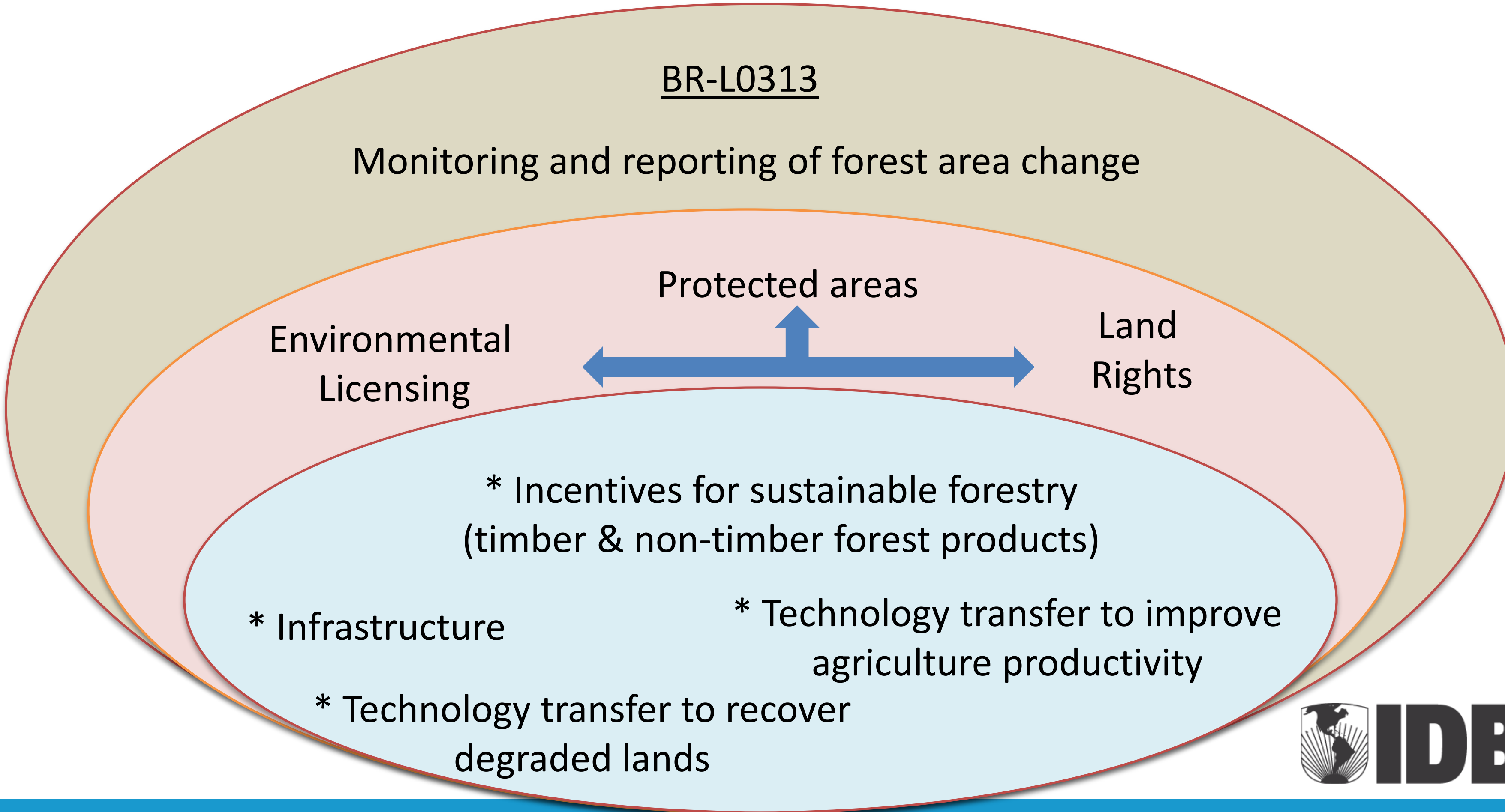
- Operation EC-L1071: US$50 million

EC-L1071

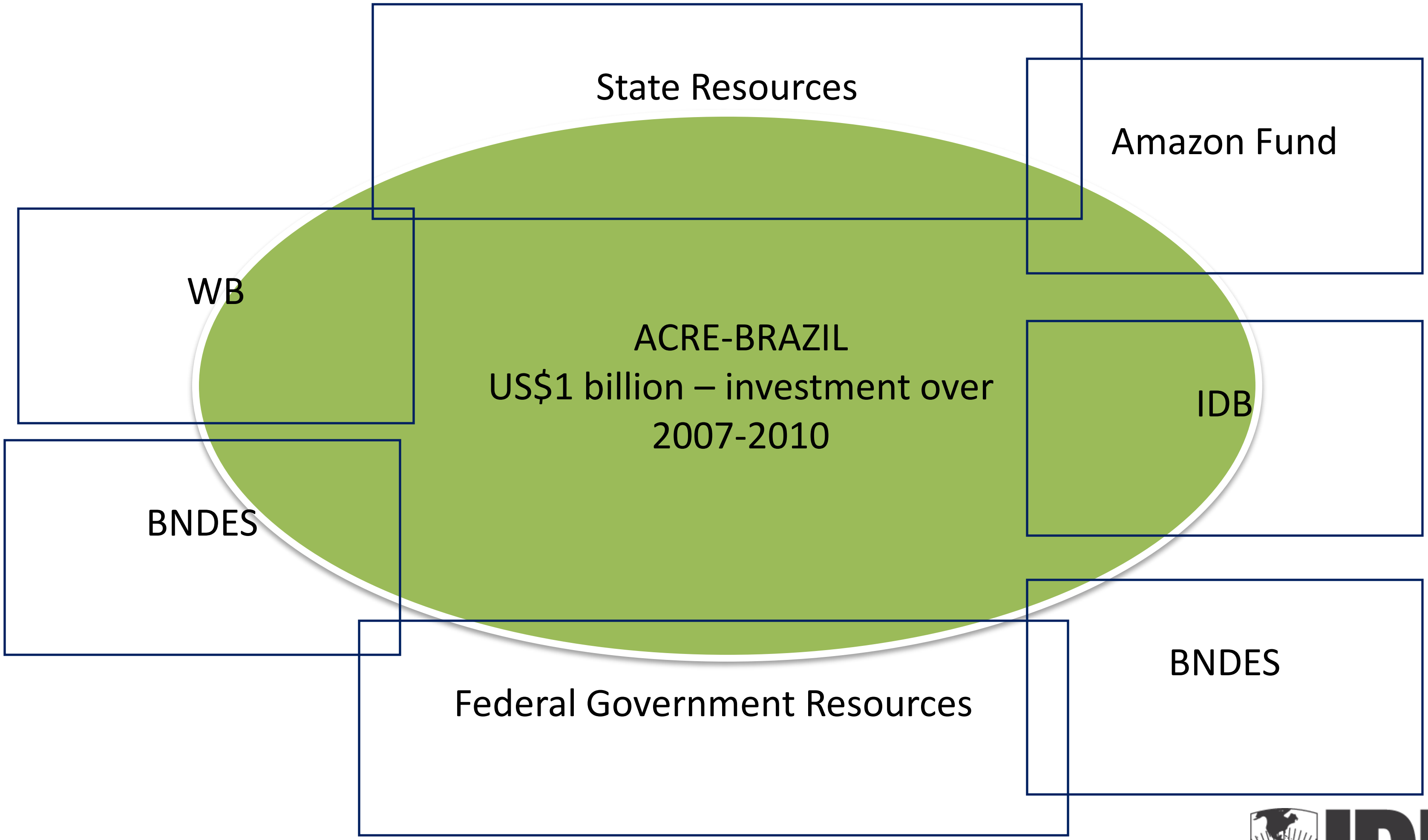
Land Titling and Land Administration

Acre's Sustainable Development Program

- Operation BR-L0313: US$108 million;



Multi-stakeholders: Acre, Brazil



3. Forest Investment Program (FIP)

Climate Investment Funds (US$ 6.9 Billion)

Clean Technology Fund (CTF)

(US 4.4 Billion)

Objective: To promote investment in clean energies

Strategic Climate Fund (SCF)

(US 2.5 Billion)

Objective: to support targeted programs aimed at providing financing to pilot new approaches at a specific climate change challenge or sectoral response.

Forest Investment Program (FIP)

US$558million

Pilot Program for Climate Resilience (PPCR)

Program for scaling-up renewable energy in low income countries (SREP)

FIP: Objectives and Pilot Countries

- Purpose of the FIP is to support developing countries' REDD-efforts, providing **up-front bridge financing for readiness reforms and public and private investments** identified through national REDD readiness strategy building efforts

- **Finance efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers** that have hindered past efforts to do so.

- Also to help **mainstream climate resilience into the forest sector,** and contribute towards realizing multiple **co-benefits** relating to **biodiversity, sustainable livelihoods and protection of the rights of indigenous peoples and local communities**

*** Pilot Countries:** **Brazil**, Burkina Faso, Congo, Ghana, Indonesia, Laos, **Mexico**, and **Peru**

FIP Investment Criteria

(a) Climate change mitigation potential

(b) Demonstration potential at scale

(c) Cost-effectiveness

(d) Implementation potential

(e) Integrating sustainable development (co-benefits)

(f) Safeguards

Thank you!

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