

**Response to “Smoke and Mirrors” Report
by the Facility Management Team (FMT) of the Forest Carbon Partnership Facility (FCPF)**

In this note, the Facility Management Team (FMT) of the Forest Carbon Partnership Facility (FCPF) acknowledges receipt of the document “Smoke and Mirrors: A Critical Assessment of the Forest Carbon Partnership Facility,” published by FERN and Forest Peoples Programme (FPP) in February 2011.¹ We welcome constructive input which may help to improve our work. Nonetheless, the critical review of the FCPF program was less than comprehensive. Had we been consulted during the course of its development we would have been able to provide you with information that would have improved its scope and accuracy. For example, the review would have benefitted greatly by noting the various improvements made since the program’s inception.

General Responses

The analysis presented in the FERN/FPP report is generally biased in that it points to flaws in FCPF documents and processes while ignoring facts and data which actually contradict or weaken its criticisms. Additionally, it does not acknowledge improvements achieved since the inception of the FCPF, which have nevertheless been recognized by other observers. Furthermore, it does not base its comments on the latest versions of the Readiness Preparation Proposals, which makes some of its criticisms obsolete.

Part of the reason for this failure of the FERN/FPP report to portray the reality in a more accurate and nuanced manner may be a continued misconception about the nature of the submissions made by REDD Country Participants to the FCPF Participants Committee (PC) to date. In 2009, the FMT recommended, and the PC approved, the change in name for these submissions from “Readiness Plans” to “Readiness Preparation Proposals” (R-PP) to emphasize the preliminary character of these documents.² The R-PP template leaves no doubt on the matter. The R-PP template has been available in English, French and Spanish on the FCPF website, has been used by FCPF REDD Country Participants since 2009, and should be well known to the FERN/FPP authors.

¹ See <http://www.forestpeoples.org/smokeandmirrors>.

² As noted in Program Document FMT 2009-1-Rev.4 of June 2009, “the R-PP provides a framework for a country to present a diagnosis of its deforestation and forest degradation problems, preliminary ideas for addressing these issues and for establishing a reference scenario and designing a monitoring, reporting and verification system, how to organize and consult on efforts to do so, and how to fund those efforts. The document is therefore a ‘proposal’ of actions envisaged to be undertaken and issues that a REDD country would address in order to become ready for implementing REDD, rather than an actionable plan, hence the replacement of the R-Plan designation with R-PP. The FCPF expects the R-PP formulation phase to be a significant, inclusive, forward-looking and coordinated effort to consult all major affected parties in the country about their ideas and concerns regarding REDD. The FCPF does not expect that the activities identified in the R-PP would actually occur at the R-PP stage, although countries may decide to begin pilot activities for which they have capacity and stakeholder support. Instead, the R-PP will generally consist of a summary of the current policy and governance context, what study and other preparatory activities would occur under each major R-PP component, how they would be undertaken in the R-PP execution phase, and then a [terms of reference] or work plan for each component. The activities would generally be performed in the next phase (referred to here as the “Readiness Preparation” phase) when the analytical work contained in the R-PP is executed.”

The choice of title for this report is undeserved in that it suggests in no uncertain words a deliberate attempt on the part of the FCPF and the countries and institutions that make up the FCPF to mislead. Accusations of dilution of safeguards or obfuscation of minimum standards on the part of the FCPF or the World Bank are equally unjustified. The FCPF has developed an approach to ensuring that the environment and society are safeguarded against potential negative effects of REDD+ activities and instead striving to achieve positive gains from REDD+ for ecosystems and people. This approach, which combines the use of Strategic Environmental and Social Assessments and Environmental and Social Management Frameworks, allows compliance with the Bank's safeguard policies, has been endorsed by the Bank's Board of Executive Directors, and reflects international good practice.

The FMT welcomes constructive criticism of the procedures and operations of the FCPF. The FMT, as the facilitator of this process, recognizes that the act of improving the work of the FCPF is a collective responsibility of FCPF Participants and Observers.

Specific Responses

FERN/FPP Criticism #1: 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.

FMT's response:

The FCPF's safeguard approach, namely the Strategic Environmental and Social Assessment (SESA), including the production of an Environmental and Social Management Framework (ESMF), is designed to ensure compliance with the Bank's safeguard policies early on in the readiness process, without waiting for projects to be undertaken, which is the time when the safeguard policies are commonly known to apply to Bank-financed investment operations. There is neither watering down nor obfuscation, just a legitimate attempt to determine how the Bank's safeguard policies (which were designed to identify, avoid and/or mitigate the potentially detrimental effects of investment projects on the environment and society) apply to REDD+ readiness activities. The need for such a determination had been recognized early on, well before the FCPF became operational.³

Readiness for REDD+ is the phase when strategies/policies are formulated and investments are prepared. It is therefore the appropriate moment for the client country to assess the potential environmental and social impacts that may ensue from a future REDD+ activity or program (including policy reforms), put the necessary systems in place and develop safeguards instruments that will apply to subsequent REDD+ investments and carbon finance transactions to minimize any potential negative impacts and enhance positive ones. The strategic, national and multi-sectoral nature of REDD+ readiness activities requires a strategic approach to risk management. Indigenous peoples' rights, land tenure, public participation, and the sharing of benefits are some of the main challenges encountered so far in the FCPF. Policies of concern in relation to REDD+ deal with land administration, nation-wide land use planning, forest management, extractive industries, and infrastructure, among other sectors. Standard

³ Section 3.10 of the FCPF Information Memorandum (first released in December 2007) provides that "during the Readiness process, the scope of application of World Bank safeguard policies will depend on the nature of the activities for which a REDD Country Participant seeks support from the Readiness Fund. Given that the precise nature of the Readiness activities will not be known until they are more fully elaborated in the Readiness Plan, the safeguards determination may need to be refined at that stage."

project-level environmental and social impact assessment is not appropriate at this strategic, country-wide, multi-sectoral level.

In keeping with accepted instruments in the field of environmental assessment, the Bank has therefore elaborated how to use a SESA in the context of REDD+ readiness. The strength of a SESA for REDD+ is that it combines analytical work and consultation in an iterative fashion to inform the preparation of the REDD+ strategy. The SESA helps to ensure compliance with the Bank's safeguard policies by integrating key environmental and social considerations relevant to REDD+, including all those covered by the safeguard policies, at the earliest stage of decision-making. Although the SESA is developed once the R-PP preparation grant has been approved, its requirements are already being widely discussed and will help guide early REDD+ implementation activities.

The SESA helps governments formulate their REDD+ strategy in a way that reflects inputs from key stakeholder groups and addresses the main environmental and social issues identified. The SESA includes an ESMF as a distinct output, which provides a framework for managing and mitigating the environmental and social risks related to investments and carbon finance transactions in the context of the future implementation of REDD+. Future investments and carbon finance transactions will still require specific environmental and social assessments, but these will benefit from the strategic context created by the SESA and the ESMF. Strategic assessments are already in use by the Bank, given that they are recognized as tools for assessing and mitigating the environmental impacts of certain types of interventions (namely policies, plans and programs). Their acceptance internationally is reflected in the practices of governments and international institutions, including the Bank, and is set forth in laws and practices around the world. The use of strategic assessments was recommended by the Mid-Term Review of the Bank's Forestry Strategy in 2007. The UNFCCC COP16 REDD+ decision text also calls for a system for providing information on how safeguards are being addressed, so FCPF countries can use SESA and ESMF products to contribute to this requirement.

The SESA/ESMF approach has now been approved by the Bank's Board of Executive Directors following a thorough design phase and reviews at several levels of management. Moreover, Bank Management has clarified the Bank's Operational Policy 4.01 on Environmental Assessment, which now includes an explicit recognition of SESAs and ESMFs as safeguards instruments. It is also worth recalling that, even before this clarification of OP 4.01, the management frameworks and plans that are referred to in an ESMF were already prescribed by the relevant Bank Operational Policies (e.g., OP 4.01 on Environmental Assessment, OP 4.10 on Indigenous Peoples and OP 4.12 on Involuntary Resettlement). This was repeatedly communicated by the FMT, which makes it harder to understand the "watering down" and "obfuscation" criticisms from FERN/FPP.

FERN/FPP Criticism #2: 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.

FMT's response:

Readiness Preparation Proposals (R-PPs), by themselves, are not designed to provide concrete solutions to address such important issues as land claims, land demarcation, and the confirmation of customary rights. The R-PP, as the name indicates, is a document in which the country assesses its drivers of deforestation/degradation, proposes ways of organizing itself to address these issues, and requests financial and technical support from the international community to undertake the work that is a necessary prerequisite to the formulation of appropriate answers to these complex questions. It may take a country significant time and resources to address these issues adequately

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(based on emerging evidence, it will cost much more to achieve readiness than anticipated at the start of the FCPF). It would be counterproductive for a country to rush readiness preparation and include specific solutions to the drivers of deforestation/degradation in its R-PP.

The readiness grants allocated by the FCPF, the UN-REDD Programme and other initiatives are designed to help countries conduct the necessary analyses, design systems and create or reinforce institutions to address the issues, which they will present in Readiness Packages in due course. The means by which rights and livelihood issues will be addressed will be developed in the readiness preparation phase in each country. Furthermore, the actions to deal with these issues will have to be designed in a participatory manner by including stakeholders who are likely to be affected by REDD+ in the decision-making process. The R-PP proposal documents, in which countries apply for the readiness grants, cannot be expected to contain the solutions that would be found in Readiness Packages that would be prepared later as a result of readiness studies and other work.

In the course of the Bank's due diligence, a detailed dialogue is established between the country (not only the government but also civil society and indigenous peoples) and the World Bank or other delivery partner, which helps set priorities based on the country's R-PP, in the use of FCPF resources (which are only a portion of total R-PP support needed). These priorities may or may not be identical to the areas identified as priority in the R-PP.

The principle of free, prior and informed consent (FPIC) in the UNDRIP declaration has been acknowledged as the basis for REDD+ consultations in a number of FCPF R-PPs that have endorsed UNDRIP and enacted legislation to implement FPIC. However some countries have not endorsed UNDRIP or FPIC, and the World Bank follows its policy of free, prior and informed consultation leading to broad community support.

FERN/FPP Criticism #3: 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.

FMT's response:

The analysis of the drivers of deforestation may not be complete in the R-PPs, but the authors fail to mention that the same R-PPs they fault do in fact recognize drivers beyond slash-and-burn agriculture. For example:

- The R-PP of the Democratic Republic of Congo (DRC) includes the following direct causes of deforestation: firewood collection around urban areas, industrial logging, mining, and informal/illegal logging (see pp. 39-40 of the R-PP). The R-PP explicitly shies away from presenting a definitive analysis of the causes of deforestation in the DRC, recognizing the lack of reliable data and the need for more work in this area as part of readiness preparation. A detailed study combining remote-sensing analysis and ground-truthing, involving government authorities and civil society is ongoing, led by FAO.
- Ghana's R-PP identifies a range of drivers of deforestation and degradation, slash-and-burn being only one in a list of nine drivers identified. On p. 38, it is stated that "the immediate drivers include: forest industry over-capacity; policy/market failures in the timber sector; burgeoning population in both rural and urban areas, which increases local demand for agricultural and wood products; high demand for wood and forest products on the international market; heavy dependence on charcoal and woodfuel for rural and urban energy; limited technology development in farming systems, and continued reliance on cyclical 'slash and burn' methods to maintain soil fertility". Mining (industrial and artisanal)

as well as prominence of one forest crop in the national economy (cocoa) are also identified as other major drivers.

Furthermore, an elaborate account of the drivers and underlying causes of deforestation and degradation, including economic, policy and governance issues, is presented in the R-PP annex (pp. 111-135). For example, the R-PP discusses at length the implications of REDD+ strategy on the livelihoods of local communities, e.g., livelihood impacts on Galamsey miners and chain saw loggers, and the need for policy reforms in the forest sector.

- Indonesia's R-PP explains the difference between planned and unplanned deforestation, where planned deforestation is mainly based on 'convertible forests'. Unplanned deforestation can result from forest fires, forest encroachments, unsustainable logging practices from legal concessions, illegal logging at small and large scales. Pressure from mining, oil palm and pulp and paper industries is highlighted. It also describes difficulties in law enforcement and land tenure regulations as underlying causes of deforestation.
- Peru: The Executive Summary of the January 2011 version of the R-PP states that "the current rate of deforestation is expected to increase in the coming decades due to investment plans and the pressure of illicit activities that imply deforestation and forest degradation." Direct drivers and underlying causes of deforestation and forest degradation are described for different regions in the Peruvian Amazon. The R-PP calls for further research given the lack of reliable data on deforestation causes at present. Nevertheless, the poverty of local populations and global market forces are referred to as important underlying causes, which are compounded by the lack of coherent and enforceable national policies and laws.
- The Republic of Congo's R-PP identifies three direct causes of deforestation in addition to slash-and-burn agriculture: unsustainable use of fuelwood, unsustainable and illegal logging, and infrastructure development, including urban and roads expansion. The R-PP also identifies a series of underlying causes of deforestation, including economical factors (poverty, lack of access to markets, lack of access to agricultural inputs), technical factors (carbonization techniques, logging techniques, etc.), political factors (governance, among others) and social factors (education, social capital, etc.). The R-PP also discusses future sources of pressure on forests linked to demographic growth and the macro-economic development of the country (infrastructure development and mining, for instance).

Although slash and burn is identified as a driver of deforestation in some R-PPs, most of the R-PPs submitted to the FCPF so far recognize multiple drivers of deforestation, contrary to the claim of the FERN/FPP report. This clear identification of a wide range of drivers indicates that REDD+ countries are not disproportionately blaming subsistence land users for deforestation, nor targeting them in REDD strategy actions.

Furthermore, the FERN/FPP report authors criticize the use of abatement cost curves as a "disturbing trend," and argue that these cost curves would "almost always result in blaming the rural poor for deforestation." Yet these cost curves have nothing to do with the determination of who is responsible for deforestation. They are meant to inform policies by infusing economic data into decision-making. Countries, governments or individuals are better off making decisions with respect to REDD+ that are informed by the underlying economics. While the initial cost curves included mostly, if not only opportunity costs, the more recent ones tend to also account for implementation costs. Implementation measures may in fact benefit the poor. Moreover, even if the priority areas do involve reducing deforestation by poor communities, the purpose of REDD+ finance is to provide incentives to address

the root causes of deforestation/degradation. Thus, where it is found that poverty is an underlying cause of deforestation/degradation, it may be possible to target REDD+ finance (including capacity-building, investments and performance-based payments) at poor communities so they can benefit. Cost analysis is important to ascertain the level of incentives that would be necessary to address the drivers of deforestation/degradation, regardless of whether they emanate from small-holder or large-scale operations.

FERN/FPP Criticism #4: 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.

FMT's response:

It is true that the degree of involvement of forest peoples, including indigenous peoples, in the formulation of national R-PPs has been, and continues to be, a challenge for many countries. **Although forest peoples' observations and proposals may not be adequately reflected in national R-PPs, progress is being achieved with respect to the consultation and participation of forest peoples as far as REDD+ is concerned. The first evaluation report of the FCPF adequately documents the feedback from stakeholders on the level of engagement achieved in the readiness process, particularly in DRC, Nepal and Mexico, the three sample countries chosen for the evaluation. Overall, the evaluation expressed satisfaction at the inclusiveness and participation of stakeholders in the FCPF process including forest peoples and IPs.**

As noted by members of the ad hoc Technical Advisory Panels (TAP), set up to provide independent R-PP reviews to the PC, improvements have occurred since the first R-PPs were presented to the PC in June 2009. In a stock-taking exercise in November 2010, TAP experts noted that indigenous peoples' rights were better acknowledged in more recent R-PPs. They noted that a number of R-PPs referred to the need for the free, prior and informed consent (FPIC) of indigenous peoples; and that proposals were now emerging in R-PPs for including communities in the monitoring for national REDD+ monitoring systems, and for building capacity of local communities for such more technical work. The same TAP experts pointed to the fact that, despite improvements, consultation processes with indigenous peoples remained difficult, and that further improvements should be made, in particular in terms of awareness-raising. At the same time, the TAP members recognized the conundrum posed by the question as to when consultations should be conducted (i.e., before government proposals and options are formulated, which may raise undue expectations and/or fail to guarantee much substance to the consultations, or after formulation, which may be considered too late by stakeholders and right holders).

The FCPF, UN-REDD Programme and other REDD+ support initiatives have facilitated the establishment of participatory management arrangements for REDD+, including national REDD+ committees, in a number of countries that include representatives of forest peoples. The interim report of the First Program Evaluation of the FCPF highlights the value of these new structures and the unintended positive consequence that they have had for creating political space for dialogue between the government and non-governmental actors. Based on the evaluation recommendation, the FCPF has already initiated discussions on the possibility of providing more support for engagement of CSOs in readiness processes at the global and national levels.

The guidelines of the R-PP template have been modified over time to clarify the consultation requirements at the stage of R-PP formulation. The R-PP guidelines now distinguish between Section 1b on "Information Sharing and Early Dialogue with Key Stakeholder Groups," in which the submitting

country provides information on exchanges with indigenous peoples and other groups up to the point of submission of the R-PP to the PC, and Section 1c on “Consultation and Participation Process,” in which the country proposes how the same groups will be consulted about, and participate in, the REDD+ process going forward. The early dialogue phase leading to the R-PP submission does not require village-level consultations, for example, and to date, few of the FCPF-supported processes have reached the stage where local-level consultations would be appropriate. However, such consultations are fully expected to be a part of the implementation of R-PPs, in keeping with the provisions of the Consultation and Participation Plan. The R-PP template is explicit that this phase “is focused on awareness raising and information sharing and dialogue with representative groups of stakeholders in order to prepare the way for later broad consultations.”⁴ This is justified by the fact that the R-PP, as explained above in footnote 2, is only a proposal, a preliminary framework. Because the R-PP is only a proposal, the funding made available by the FCPF for its formulation is limited to US\$200,000, which would clearly be insufficient to conduct thorough consultations.

FERN/FPP Criticism #5: 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.

FMT’s response:

The statement that all R-PPs reaffirm state ownership over forest land is inaccurate. There are quite a few R-PPs that explicitly mention community and private ownership of forest land:

- Guyana’s R-PP, p. 24, mentions that although Amerindian indigenous peoples make up only 9.6% of the Guyanese population, they own 13.9% of the forest land. Furthermore, the Amerindian Act of 2006 provides, inter alia, for the recognition and protection of the collective rights of Amerindian Villages and Communities.
- Madagascar’s R-PP, p. 37, highlights the ongoing trend in the country towards decentralization of natural resources management through the policy of *transfert de gestion*. The R-PP recognizes the promotion of community forest management as a pillar for a national strategy to reduce deforestation.
- Mexico’s R-PP, p. 22, documents that 55% of forest land is owned by communities and 35% is owned by private sector, noting that “there are no published studies available that have analyzed the effects of land tenure on deforestation and/or degradation at the national scale.”
- Panama’s R-PP, p. 14, explicitly recognizes the *comarcas* existing in the country for five indigenous peoples.

⁴ The R-PP template goes on to explain that “some REDD-plus countries, indigenous peoples and other stakeholders are recognizing the difficulty of abstractly discussing REDD-plus without being able to discuss any specific proposals for REDD-plus policies in a given region or land use or land tenure system. Starting consultations before the strategy has been discussed may raise expectations about potential revenue from REDD-plus programs before any sources of REDD-plus financing have been identified. Finally, countries have realized the high financial cost of consultation with geographically dispersed stakeholders at a stage when financing for such consultations is not yet available.”

- Tanzania's R-PP, p. 20, mentions that the National Land Act and Village Land Act of 1999 provides the legal framework for three land categories, namely general land, reserved land and village land. The third category makes up all land in villages.
- Moreover, the FCPF has highlighted the key role of community forestry management as a strategic option for a national REDD+ strategy. Recently, the GEF and FCPF sponsored a South-South exchange program whereby representatives from civil society and government representatives of six African countries visited Brazil to learn about the country's experience with community forestry, including an innovative system of payment for ecosystem services for forest-dependent communities in state protected areas, and the experience of community timber management on federal lands.⁵ Community forestry does not necessarily mean community ownership of lands, as the Brazilian example indicates, where state ownership of lands still allows payments for REDD+ activities.

The R-PPs' focus on carbon monitoring is to be expected, since REDD+ is a tool to mitigate climate change. The measurement, reporting and verification (MRV) of carbon emissions is therefore central to REDD+ and the backbone of the system based on performance (effective reduction of forest-related emissions). It has been recognized for some time that MRV cannot be limited to carbon alone, and a more comprehensive approach to monitor the broader impacts (positive and negative) of REDD+, including biodiversity and livelihoods, is needed.

Accordingly, in 2010, the FMT adapted the R-PP template to distinguish between MRV of "Emissions and Removals" (component 4a) and "Multiple Benefits, Other Impacts, and Governance" (component 4b). This change was welcomed by a number of civil society organizations at the time and has been explicitly incorporated in national REDD+ preparation activities in countries' R-PPs. The FERN/FPP report failed to acknowledge this development and should have highlighted in the text of pp. 24-25 that a number of R-PPs do address non-carbon MRV, e.g.:

- DRC is actively advancing the development of national social and environmental standards for REDD+ projects and initiatives in the country, which is expected to inform the legislative process.
- Ethiopia's R-PP (pp. 129-130) lists the REDD+ monitoring indicators, which include biodiversity conservation and benefit sharing with local forest-dependent communities.
- Ghana's R-PP illustrates that where such information does not exist, R-PPs recognize this gap. The R-PP (p. 43) clearly identifies that significant research gaps exist on how co-benefits (biodiversity, equity and social welfare, soil and water conservation) could be integrated into a national REDD+ strategy.
- Kenya's R-PP (p. 81) outlines a monitoring and reporting system for social, environmental and other impacts of increased forest cover resulting from the implementation of REDD+ activities.
- Madagascar's R-PP insists on 'participatory monitoring' as a key aspect of a national MRV system, building on existing experience with ecological monitoring and expanding into carbon monitoring through a program of capacity building to local communities.

⁵ More details are available at

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSDNET/0,,contentMDK:22830889~menuPK:64885113~pagePK:7278667~piPK:64911824~theSitePK:5929282,00.html>.

- Nepal's R-PP makes explicit references to the use of the REDD+ Social and Environmental Standards developed by the CCBA and CARE International and the budgeting of over US\$400,000 for this purpose.
- Peru's R-PP proposes to assess biodiversity, other ecosystem services, and social impacts and co-benefits; and to develop information systems that integrate information on carbon and other co-benefits.
- Tanzania (p. 58) explicitly mentions the process of establishing a participatory MRV system to monitor deforestation and degradation, rural livelihoods, conservation of biodiversity, key governance factors related to REDD implementation, and assess the impacts of the REDD strategy on the forest sector.
- All FCPF countries have to conduct a SESA (see discussion of SESA in response to criticism #1 above). In addition, it should be noted that countries such as DRC, Ghana, Guyana and Indonesia have already produced draft terms of reference for their SESA, even as the World Bank was still fine-tuning the SESA concept and guidelines. The preparation of the ESMF, as a key output of SESA, requires each country to specify the arrangements for monitoring the implementation of future action plans prepared in line with the relevant sections of the Framework (e.g., Indigenous Peoples Plan, Environmental Management Plan), providing additional opportunities to address non-carbon MRV.

FERN/FPP Criticism #6: 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 programs.

FMT's response:

Given that REDD+ is primarily about climate change mitigation and the FCPF was set up to foster REDD+, it is not surprising that the focus of R-PPs should be on the governance of REDD+ and forest and climate programs. It is now commonly recognized, however, that the success of REDD+ will depend on significant changes in multiple policy areas, well beyond the forest sector, and tackling some systemic issues, e.g., poverty and insecurity in land tenure. **Contrary to the FERN/FPP criticism, the FCPF expects its REDD Country Participants to set up management arrangements that are not exclusively governmental. For example, the R-PP template calls for countries to: (1) establish national REDD committees that bring together governmental and non-governmental representatives, including indigenous peoples; (2) provide mechanisms for independent MRV, involving civil society and indigenous peoples; and (3) use or set up grievance mechanisms that build on local institutions to the extent possible.** For example:

- Argentina's R-PP proposed the creation of a REDD Advisory Committee which will consist of scientific and technical institutions, NGOs, civil society, trade unions, indigenous peoples and private sector representatives to provide scientific and technical information to the REDD Implementation Unit and the REDD Steering Committee (p. 8).
- DRC: The FCPF is collaborating with the UN-REDD Programme to carry out a comprehensive analysis of the political economy of REDD+ in the country, and the risk that corruption poses to a national REDD+ mechanism. This analysis aims to identify the main governance risks related to REDD+ in general in DRC, and to some REDD+ strategic options in particular, and

- proposes workable solutions for how to address those. This study includes various consultations with different groups of stakeholders and field visits to obtain input from decentralized stakeholders.
- Ghana's R-PP clearly recognizes that problems in forest governance exist, and the reform process is being spearheaded under the FLEGT program (p. 39). Ghana's R-PP discusses at length the existing land and tree tenure issues and the challenge this has posed for establishing effective benefit-sharing arrangements (pp. 136-139).
 - Mexico's Advisory Technical Committee (CTC) set up a multi-stakeholder REDD task force, which has met monthly since February 2008 (R-PP p. 66). It includes NGOs such as Greenpeace, the Mexican Civil Council for Sustainable Forestry, and WWF.
 - Peru: Between the September 2010 version of the R-PP and the current version (March 2011), substantial progress has been made on a number of issues. The main forum for dialogue and sharing of experiences between government and civil society is the REDD+ Roundtable of approximately 70 public and private stakeholders, including Indigenous Peoples representatives. The Roundtable has access to the National Climate Change Committee (CNCC) through the National REDD working group. Regional REDD+ roundtables play an advisory role for regional REDD strategies and influence the National REDD+ Strategy through the regional committees that are represented in the CNCC (version of March 2011, pp. 29, 30, 37 and 38). The R-PP further proposes an active role for communities in MRV, and suggests joint activities in the monitoring of forests and carbon stocks, thus combining IPCC methodologies and traditional knowledge into an effective MRV system (version of March 2011, p. 125).
 - Republic of Congo: While the FERN/FPP report correctly noted the deficiency with respect to governance assessment and linkages to other initiatives dedicated to forest governance, notably FLEGT, it failed to acknowledge that the PC itself highlighted this deficiency in its assessment of July 2010 and requested that it be addressed in a revised version of the R-PP. The revised version of the R-PP includes a box on the "links between REDD+ and the VPA/FLEGT process", where the country concludes that "the two mechanisms are complementary as they both seek to promote the conservation and sustainability of forest resources." The case of the Republic of Congo's R-PP assessment illustrates that while R-PPs may not contain all the elements required, the R-PP review process tends to detect and address these problems.

FERN/FPP Criticism #8: Issues related to the Carbon Fund

FMT's response:

The FMT recognizes that there are other issues raised in the report with respect to the Carbon Fund, the timing of ERPAs, etc. It is however premature to respond to those issues given that the modalities for the Carbon Fund have not been finalized as yet.

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Conclusions

In summary, the FMT notes that dialogue on REDD+ issues has been the very source of the relative success of REDD+ as a policy concept to date internationally, and in most REDD+ countries, a balanced and thoughtful dialogue should be promoted. The FCPF countries and program are now generating significant new experience that needs to be evenly considered as early assessments of REDD+ are produced. We hope that critics of REDD+ will encourage opportunities for consultation with REDD+ initiatives like the FCPF and with REDD+ countries and stakeholders, in the same way that they champion consultation between governments and stakeholders.