

## **Rights & Resources Initiative and Chatham House Dialogue on Forests, Governance & Climate Change**

Royal Society, Carlton House Terrace, London SW1  
Wednesday, 8 July 2009

### **Summary Report**

The UN-REDD Programme participated in the first Rights & Resources Initiative and Chatham House Dialogue on Forests, Governance and Climate Change on 8 July in London, England. The convening chairs, Duncan Brack of Chatham House and Arvind Khare of Rights & Resources Initiative, made opening remarks about the need to reconcile the governance issues associated with forests with the REDD agenda, questioning how 'REDD-readiness' will deal with issues associated with governance, rights, and land-use conflicts, and ultimately how and at what point a country will be considered 'REDD ready'. The Dialogue was organized under four thematic areas:

- Forests and REDD in the climate negotiations;
- UN-REDD, FCPF, FIP: Creating precedents and standards;
- Rights, Rules and Emissions Reductions: Clarifying what it really means to be "REDD-ready";
- Carbon Financing Mechanisms and Forest Governance.

### **Forests and REDD in the climate negotiations**

The discussion was chaired by Alan Charlton, British Ambassador to Brazil, with presentations from Jim Penman from the UK Department of Energy and Climate Change and Beatriz Souviron, Ambassador of Bolivia to the UK.

Mr. Penman emphasized that the need to address the rights of Indigenous Peoples must be framed within the negotiation text as key to improving the likelihood that REDD will succeed, making reference to the international agreements under which these issues are addressed. He also noted that the issue of rights and engagement should be linked incentives that are dependent on concrete results, thereby encouraging countries to live up to their international commitments.

Ambassador Souviron presented Bolivia's environmental philosophy that humans should live in harmony with each other and with the earth. She underlined that our current relationship as 'consumers' of climate must stop and that the victims of climate change (developing countries) should be compensated. Bolivia does not accept common but differentiated responsibility and believes that increased financing for adaptation and technology transfer should be provided for free. With respect to REDD, Bolivia does not believe that forests in isolation can be monetized, but that payments need to be linked across sectors on a compensation basis.

Following the presentations, Ambassador Charlton moderated a discussion on **the extent to which REDD-readiness activities and eventual REDD payments can be expected to resolve rights issues**. Mr. Penman remarked that it is hard to imagine a world in which there is no deforestation and that it will be impossible to turn the convention into an international police force, thus REDD systems will need to rely on transparency and the application of international law. He noted that civil society will play a big role in exposing injustices and in bringing these to the attention of decision makers; the bottom line, he concluded is that incentives should only be given if results are attained.

During the discussion, questions were raised about the fact that many existing initiatives that measure governance indicators such as transparency, corruption, and credit risk show that the most fragile and corrupt nations also have the greatest forest cover. A worst case scenario may result in REDD bringing about a resource

curse to countries, with a large influx of money flooding weak systems that do not have the capacity to absorb financial resources effectively.

### **UN-REDD, FCPF, FIP: Creating precedents and standards**

The discussion was chaired by Francis Seymour, Director General of CIFOR, with presentations from Mark Cackler from the World Bank, Marcus Colchester of the Forest Peoples Programme and Tim Clairs from the UN-REDD Programme.

Francis Seymour opened the discussion with a reminder that there is a long history of the rich and powerful pushing aside the weak and vulnerable to capture valuable resources associated with forests – REDD could be yet another case. She asked the panelists three questions: What tools do we have to assure at least do no harm? What standards and policies do we have in place? What is possible to implement at the local level?

Tim Clairs, Senior Policy Advisor at UNDP working for the UN-REDD Programme started by outlining the specific tools that the UN-REDD Programme is using to address these issues:

- 1) Unique IPs and CSO involvement in the UN-REDD Programme's governance structure:
  - The UN-REDD Policy Board includes one full member Indigenous Peoples representative, as well as 3 additional IPs observers representing Africa, Asia-Pacific, and Latin America – identified through a self-selection process
  - The Policy Board also includes one full member from Civil Society and 3 more observers (from other regions and one northern NGO).
  - The Policy Board makes decisions on the basis of consensus and for which IPs and CSOs are full members
  - This composition is unique among major multilateral programmes on REDD or other issues – sets a precedent to ensure that issues are raised and standards are upheld
- 2) Operational Guidance on Engagement of Indigenous Peoples and other forest-dependent communities
  - Principles, guidelines, best practice for consultation, on which inputs are welcome
  - Working with the FCPF to harmonize content
- 3) A Global Programme of support functions working on governance, pro-poor REDD, and stakeholder engagement

The UN-REDD programme tools are informed by:

- UN experience of engagement and “case law” of concerns and issues
- The rights-based approach of the UN's work

Mr. Clairs set out the UN approach to dealing with the weak and vulnerable. The approach is not based on measures of harm, but – on the contrary – it is based on the advocacy of the rights of the weak and vulnerable and on building capacity for inclusion and engagement. There are a number of relevant tools in support of this approach:

- 1) The UN Declaration on the Rights of Indigenous Peoples (UNDRIP), UN agencies to support implementation of Free Prior and Informed Consent (FPIC), operationalizing UNDRIP
- 2) UNPFII, IASG to ensure recommendations are incorporated into work of UN agencies.

- 3) UN Committee on Elimination of Racial Discrimination – general recommendation on the rights of IPs; Special Rapporteur
- 4) UN Development Group Guidelines of IPs Issues (2008)
- 5) UN Common understanding on human rights based approach to development cooperation

Furthermore, the UN-REDD Programme incorporates the policies and work of its participating UN Organizations, in particular UNDP – policy of engagement with IPs, Civil Society advisory committee, Programme and Operations Policies and Procedures and social and environmental assessments

Mr. Clairs emphasized that the UN-REDD Programme adopts UNDP's approach to ensuring the rights and practices of Indigenous Peoples and forest-dependent communities are respected:

- 1) Facilitate and broker dialogues between governments and IPs and CSOs, etc – facilitate participation and inclusion
- 2) Support the capacity needs of governments to implement international agreements and conventions of relevance to Indigenous Peoples. Empowering relevant institutions at various levels to reach out, engage and take forward issues of concern to IPs
- 3) Prevent rather than correct harm.

Mr. Clairs also outlined the UN-REDD Programme's approach to recourse, by outlining three levels of recourse:

- 1) Existing UN mechanisms for complaints and recourse, including the role of James Anaya, the UN Special Rapporteur on Rights and Indigenous Peoples
- 2) UNDP mechanisms, including the Civil Society Advisory Committee to the Administrator, and UNDP's Information disclosure policy
- 3) UN-REDD Programme specific measures, including:
  - a. Commitment to develop a mechanism for raising concerns
  - b. Recognizing the primary responsibility of UN Resident Coordinators in operationalizing engagement with IPs at the country level
  - c. Also to involve the UN-REDD Secretariat, Policy Board and Advisory Group on Rights, Forests and Climate Change

Mark Cackler from the World Bank's Agriculture and Rural Development Department gave an overview of progress being made by the Forest Carbon Partnership Facility. He reported that Guyana, Panama, Indonesia have been given the green light to proceed on their Readiness Preparation Proposals (RPP). He also reported that the Forest Investment Program (FIP) was approved on June 24 to move forward towards bridge financing to REDD countries for readiness reforms. Mr. Cackler pointed to the Growing Forests Partnership as good practice in multi-stakeholder dialogue that should continue to contribute to the REDD agenda. With regards to due diligence and accountability the World Bank relies on its operational and safeguard policies and inspection panel. Additionally the FCPF has put in place a Guidance Note on Stakeholder Participation that requires countries that are developing an RPP to present a stakeholder engagement plan. Work is also ongoing to apply social and environmental assessment to the activities proposed under the RPPs an issue still under discussion by the FCPF participant's committee.

Marcus Colchester, Director of the Forest Peoples Programme, began by reminding the group that social exclusion and the denial of rights are conditions that contribute directly to deforestation and thus; if not dealt with, they will undermine REDD, weaken permanence and cause leakage. He agreed that the outcome of the UNFCCC negotiation needs to be consistent with human rights law and recognized the UN-REDD Programme for addressing the UN

Declaration on the Rights of Indigenous Peoples and FPIC. Marcus highlighted that the Bank safeguards refer to free, prior informed *consultation* and widespread community support, not *consent*. He questioned what stage will safeguards be triggered at, noting that although RPPs have started to be approved, safeguards have not yet been triggered. With specific regards to the approved RPPs, Marcus underlined that :

- In Guyana, there have been complaints from the Amerindians that the R-PLAN has left them out, against a backdrop complaints about government legislation on IPs – and an official complaint by the UN Committee on the Eradication of Racial Discrimination (CERD) in 2006.
- In Panama, the RPLAN doesn't reference international human rights and has no focus on land rights. Indigenous Peoples in Panama have complained publicly about the need for more information and recognition of their land rights.
- In Indonesia, where 60% of land holdings are customary and tens of millions of people live on state forest lands without rights, the UN CERD has criticized the approach to REDD undertaken by the Government of Indonesia, in a legal system that does not respect customary rights.

Mr. Colchester raised concerns that the technical review of the RPPs highlights areas of non-compliance with the World Bank Charter, and that while governments have insisted on importance of safeguards, they also fear delay in a highly pressurized system, effectively allowing the respect of rights to drift.

Following the presentations, Francis Seymour chaired a heated discussion on **safeguards and due diligence, participation and consent**. The general tone of the discussion was that participation and the assurance of safeguards against the degradation of the rights of Indigenous Peoples is a minimum and essential component of readiness activities. However, what is needed is support for practical steps that governments can take to legislate in favor of forest peoples. For example, on the recognition of customary rights, a careful assessment is needed to evaluate the potential disparities between customary rights and national law and between national law and international commitments, followed by assistance to reconcile these disparities. There is also a need to apply governance indicators to REDD in a way that will measure progress against REDD thresholds in a results-based system that is creating assets and additional rights.

Calls were made to the UN-REDD Programme to provide practical support to national level, both to countries and to UN teams, to ensure that the tools are applied practically specifically with particular reference made to the application of FPIC and recourse mechanisms. Concerns were raised several times of the FCPFs apparent flexibility and lack of enforcement of the principles of its Charter and the application of safeguards.

### **Rights, Rules and Emissions Reductions: Clarifying what it really means to be “REDD-ready”**

The discussion was chaired by John Hudson from DFID's Climate and Environment Group, with presentations from Leif John Fosse of Norway's International Climate and Forest Initiative, Manish Bapna of the World Resources Institute, Kyeretwie Opoku from Civic Response, and Francis Seymour of CIFOR.

In his presentation, Leif John Fosse gave an overview of Norway's proposal for a phased approach to readiness based on a system of thresholds of a country's capacity to measure emissions level, set reference emissions levels, address issues of leakage, permanence and additionality, address land tenure, put in place reliable benefit sharing systems, and uphold the rights of Indigenous Peoples and forest dependent communities. He emphasized that transition from one phase of readiness to the next must be based on demonstrable results, a national commitment with stakeholder participation, a robust MRV system, backed up by an international support structure that provides capacity and technical support and facilitates learning. Mr. Fosse emphasized that the recognition by

national authorities of the role of Indigenous Peoples as forest managers is essential and that Norway sees their participation as a prerequisite to formulating and implementing national REDD strategies.

Manish Bapna, Executive Vice President of WRI, gave an overview of WRI's Governance of Forests Initiative to develop indicators for forest governance. These are intended to identify strengths and gaps in national capacity in order to see what issues need to be addressed and supported by readiness activities. Mr. Bapna also gave an overview of the US Waxman Markey Bill – emphasizing that the world should pay attention to the American response to REDD issue as it could influence the entire approach to readiness and the UNFCCC negotiations.

Kyeretwie Opoku from Civic Response gave an overview of the Ghanaian experience with the World Bank's FCPF, criticizing the consultation process for not addressing the real issues such as national governance capacity, benefit sharing arrangements, and national negotiation goals. Mr. Opoku also raised issues of national capacity to engage effectively in the negotiations in a way that reflects the interests of a wide cross-section of society.

Francis Seymour of CIFOR repeated the question raised by Duncan Brack in his opening remarks : do forest governance issues need to be addressed before a country can effectively pursue 'readiness' or can countries simultaneously prepare for REDD and address forest governance challenges? In her view, the latter must be the case since a) the risk of not acting on this issue could result in catastrophic climate change, b) that there are positive upside risks of pursuing readiness in the form of co-benefits, and c) there is a long history of slow progress in forest governance reform. However, in order to simultaneously advance readiness and forest governance issues, the international community needs to be serious about the results-based nature of REDD incentives. She also underlined the role of the international community in this area: supporting readiness, addressing the drivers of deforestation, coordinating international processes, and providing sufficient financing. MRV systems need to apply not only to forest cover and carbon emissions, but also to governance indicators such as corruption, financial systems, payment distribution systems, and land rights and tenure systems. She noted that there is documented evidence that community resource management improves as rights are strengthened. The definition of statutory rights is only the first step, as there are enormous challenges in defending rights and developing systems to help rights holders tap into payments for ecosystem services.

Following the presentations, John Hudson moderated a discussion that focused on **MRV needs and indicators of forest governance**. Concerns about overburdening the MRV agenda beyond carbon were balanced by calls to ensure that governance indicators are measured and reported as the basis for countries progress towards participating in a performance-based REDD system. In response to a question about what would be needed to indicate that a country is getting 'ready' for REDD, Leif John Fosse identified the following elements:

- 1) The rudiments of an MRV system with rewards based on increased precision
- 2) A minimum standard of national leadership and coordination
- 3) Quality of assessment of the drivers of deforestation
- 4) Quality of consultation process and participation in forest governance
- 5) Status of development of a benefit sharing/payment distribution system

This assessment raised questions about how such indicators would be assessed and who was in a position to assess them. Concerns were also raised over the potential for perceived conditionality in a system of measured progress towards thresholds for transitioning between readiness phases. The flip side of this argument was also raised – that ensuring strong governance and rights frameworks is the only way that REDD will succeed in creating lasting emissions reductions.

### **Carbon Financing Mechanisms and Forest Governance**

The discussion was chaired by Duncan Brack of Chatham House, with presentations from Simon Rietbergen from the Prince's Rainforests Project, and James Mayers of IIED speaking on The Forests Dialogue.

Simon Reitbergen spoke about the need to be realistic about how much time, effort and resources will be required to get REDD countries to a level where they can meet the IPCC tier 3 requirements for measuring forest carbon. He noted that in the interim, there is a need to agree to a proxy to measure progress towards readiness, but that conditionalities will be tricky because of the historical responsibility of Annex 1 countries.

James Mayers gave an overview of The Forests Dialogue (TFD) work to articulate the phased approach to readiness based on the application of safeguards. TFD has begun to analyze the conditions and requirements for the three phases – defined as preparation and readiness, policies and measures, and implementation. Mr. Mayers indicated that there was considerable work needed in determining what ‘triggers’ are required to move between the phases.

The final discussion, facilitated by Duncan Brack, focused on the **links between carbon financing mechanisms and forest governance**. Arguments were made that the real potential for REDD cash flows needs to be evaluated carefully, given the fact that current governance indices in REDD countries indicate the risk associated with investing in these countries is extremely high.

This dialogue is the first in a series, the next dialogue taking place in Washington, DC in October 2009.