

Sent by Simone Lovera, Global Forest Coalition, 4/06/2009

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simone lovera
<simonelovera@yahoo.com>
m>

04/06/2009 10:44 AM

Please respond to simonelovera@yahoo.com

To gdieterle@worldbank.org

cc cifadminunit@worldbank.org, pverkooijen@worldbank.org,
gfccg@yahoogroups.com, nikkiR@rainforestuk.com,
sbreitko@greenpeace.org, khorner@foe.org,
samnnah@africa-environment.org,
bhola_fecofun@yahoo.com, whmaidan@indyact.org,
castroestebancio@gmail.com, bjenkins@bicusa.org,
yvetogo@hotmail.com, fons.gribling@minbuza.nl,
simone.lovera@globalforestcoalition.org

Subject: comments on FIP design document

Dear Gerhard,

Please find below our comments on the draft design document for the Forest Investment Program. We hope that these comments will be taken into account in the documents that will be prepared for the third design meeting. I hope to be there in May to further explain our observations.

I would appreciate it if you could confirm receipt of this message.
Best wishes,

Simone Lovera
Global Forest Coalition

Comments by the Global Forest Coalition on the Draft Design Document for the World Bank Forest Investment Program

1. We appreciate the efforts the World Bank has undertaken to involve representatives of Indigenous Peoples' Organizations and NGOs in the design process. However, we share the concerns expressed by the Rainforest Foundation UK, Greenpeace Int. and others about the serious flaws in the process for inviting civil society representatives until now, including the fact that civil society representatives selected by the NGO community did not receive an invitation for the second design meeting.

2. As we were not invited to the first and second design meeting, this is our first opportunity to contribute to the design process. We appreciate the many positive intentions expressed in the design document and we particularly appreciate the emphasis on the need to ensure the full and effective participation of Indigenous Peoples' Organizations in all stages of the design and implementation of the FIP. GFC would like to reiterate that we see this participation as a logical legal consequence of the rights of indigenous peoples to participate in international policy processes related to developments that will impact their territories. These rights are enshrined in the UN Declaration on the Rights of Indigenous Peoples, a document signed by all developing countries. As such, we support the proposal for a number of representatives IPO with the mandate of the wider IPO community to participate in the FIP Sub-Committee, if the IPOs themselves choose to participate in the FIP.

3. Despite these positive developments, we feel that there are many highly important matters that are not clarified in the current design document, and we share the views of Rainforest Foundation UK and Greenpeace International in this respect that the design process needs far more time to clarify these issues. In general we share the general observations made by our colleagues from Rainforest Foundation UK and Greenpeace International in their written submission. We also support the comments made by the IPO participants during previous design meetings. The points below should be seen as complementary to their observations.

4. First and foremost, it should be clarified how it can be ensured that the FIP does not undermine the negotiation process of the UNFCCC on institutional arrangements for financial support to developing countries. GFC shares the observation of the G77 and China that such an institutional arrangement should fall under the auspices of the UNFCCC itself and that the World Bank is not the proper institution to host such an institutional arrangement. It should be ensured that the FIP, as a parallel institution, does not distract funding away that will be desperately needed to finance forest-related nationally appropriate mitigation actions in developing countries within the framework of the UNFCCC itself.

5. We also feel that there is a clear need to clarify in advance what the nature of the financial contributions of the FIP will be. In the light of the spirit of the Bali Action Plan and the UNFCCC commitments on new and additional funding, any forest-related action by developing countries should be financed through grants. The provision of loans under the FIP will not only violate the spirit of the Bali Action Plan and the UNFCCC itself, but it would also add to an already unsustainable debt burden for many countries and thus undermine the many ongoing efforts to reduce this debt burden. Moreover, the most socially and environmentally valuable forest-related projects will provide many different values for countries and forest-based communities, but most of those values might not be expressed in monetary terms, so it will be impossible for countries to repay the loans they receive for forest sector investments to enhance these values. Any speculation that a potential carbon offset market might provide future funding to repay such investments is not only objectionable for quite a number of environmental, social and ethical reasons, it is also an unacceptable form of financial speculation regarding an as yet very uncertain global market.

6. We strongly support the suggestion of Rainforest Foundation UK and Greenpeace International for an exclusion list to be drafted in advance. As the FIP design document states that the FIP will contribute to biodiversity conservation, the establishment of monoculture tree plantations should be one of the activities that should be excluded from FIP funding from the outset. It is a scientific fact that the replacement of more biologically diverse areas by monocultures has a direct negative impact on biodiversity. As monoculture tree plantations also provide up to 800 times less jobs per hectare than alternative forms of land use they also create major social impacts, including rural unemployment and depopulation, and a further expansion of the agricultural frontier into primary forest areas due to rural migration.

7. While we appreciate the reference to the need for gender balance and expertise on gender and forests in the Sub-committee and the proposed expert group, we miss a more elaborate reference to the specific rights, needs and roles of women regarding forest conservation and restoration in the design document. Women play a very important role in forest conservation and restoration initiatives, a role which is often overlooked in forest policies. Due to traditional roles as caretakers of their family, many rural women also have special forest-related needs in terms of access to fuelwood, water and medicinal plants, which should be taken into account in forest projects and policies. Last but not least, women have rights, as enshrined in the Convention on the Elimination of all forms of Discrimination Against Women, and other human rights instruments, which should be taken into account, including the right to participate in the design and implementation of policies that will affect them. We urge the World Bank to ensure the FIP respects these rights and takes into account the specific needs and roles of women.

8. The document rightfully highlights the need to mainstream forest conservation considerations into other policies. In the light of the frequently expressed concern about the lack of mainstreaming of climate

mitigation and forest conservation considerations in World Bank policies in general, we feel there is a lack of concrete proposals for policies and mechanisms in the design document that would ensure full and effective mainstreaming of these considerations in all World Bank policies and projects, also taking into account the recommendations of the Banks Extractive Industries Review.

9. We also feel there is a lack of emphasis on the need for coherence between REDD policies and existing successful forest conservation policies and practices in the design document. In particular, there is a need to ensure REDD policies are coherent with UNDRIPs, the Convention on Biodiversity and its Expanded Program of Work on Forest Biodiversity and other international agreements related to forests and forest peoples.

10. Regarding the FIP principles spelled out in the design document, we would like to highlight the fundamental tensions between the prioritization of countries with a " large mitigation potential" with the principles of equity and good governance. Countries that are still facing high deforestation rates, 17 years after the commitment by their Heads of State to conserve forests at the UN Conference on Environment and Development, tend to struggle with significant governance problems. However, it is generally recognized that good governance is a pre-condition for effective REDD policies. It is also inequitable to provide more funding for countries that have not succeeded to reduce their deforestation rates in the past 17 years than to the numerous countries that have put in place effective policies to prevent, halt or even revert deforestation. The current design document fails to address these fundamental tensions.

11. Regarding principle d) on participation, in the light of the not always positive experience with the FCPF, it should be ensured that the full and effective participation of representative IPOs and local community organizations in national policies and programs is compulsory. National policies and programs should also take into consideration all the above-mentioned gender considerations.

12. We are uncomfortable with the emphasis on pilot projects in the design document. Countries have build up decades of experience with successful and less successful policies and projects to prevent, halt and revert deforestation and forest degradation. Instead of implementing yet another set of pilot projects, there is a need to learn from the many existing experiences with forest policy and to replicate the most successful experiences, including positive experiences with recognizing Indigenous governance of their forests and community conserved forests, which have proven to be highly effective and cost-efficient strategies to conserve and restore forests. Moreover, individual pilot projects are seldom able to address underlying causes that lay outside the forest sector and the emphasis on pilot projects tends to favor a minority of countries only, which are often targeted by multiple donors.