



# The Forest Investment Program (FIP)

Non-government stakeholder opinions and views

Stewart Maginnis

Director – Environment & Development Group



# BACKGROUND

- World Conservation Congress - >7500 participants
- REDD & new forest investment issues extensively discussed
- Conducted two informal meetings with NGOs and IPs on new forest funds (and FIP in particular)
- Following is my own view of the different opinions and concerns I heard – it is NOT the formal transmission of any stakeholder group's position and not an alternative to consulting directly with those groups.



# Informal Discussions

- World Bank convened informal meetings – IUCN hosted and facilitated
- Objective - to garner inputs from different stakeholder groups that would help “get the design of FIP right from the outset”
- Method - two 1.5 hour meetings – around 60 IP and NGO representatives
- Context - new forest mechanisms generally with particular reference to FIP



# DISCUSSION TOPICS

1. Scope of the FIP
2. Criteria to determine how/where to get the most value from FIP funds
3. Priorities and activities for FIP investments
4. Options for fund allocation
5. Mechanisms for distribution of FIP funds – who should be the recipients
6. Options for developing a sense of local ownership



# GENERAL FEEDBACK

- Indigenous Peoples clear and consistent opinions while NGOs more varied.
- Generally a lack of clarity persists as to the nature and purpose of FIP.
- Mixed views on the urgency vs moral hazard of focusing strongly on avoided deforestation.
- Strong consensus on the desirability of an inclusive approach – at both planning and implementation stage.
- General concern that proposed timetable will preclude stakeholder involvement.
- Some concern that lessons from past mistakes involving large investment and forests have not been learnt – exacerbated by large scale investments in other land-uses (the next big land grab!).



## SPECIFIC FEEDBACK - Scope

- NGOs tended to support a broad-based approach
  - in terms of national / project-based interventions
  - in terms of institutional capacity building for all levels of governments (multi-stakeholder REDD planning)
  - in terms of mitigation strategies to be supported (P.A.s, SFM)
- NGOs emphasised need to address elements within extra-sectoral policies that encourage deforestation
- NGOs had wide range of FIP lending criteria but were consistent on need for demonstrable local commitment and multi-stakeholder buy-in as conditions for success.



## SPECIFIC FEEDBACK - Priorities

- NGOs had mixed messages on prioritization (pilots vs mainstream; narrow vs broad coverage) though capacity building for government (carbon accounting) and local communities emphasised.



## SPECIFIC FEEDBACK - Process

- Indigenous Peoples very clear on need for transparent and inclusive process: they want to select who would be involved and don't want proxies talking for them. Repeated concerns on:
  - Timing – a late January 09 deadline will exclude them – this does not even provide sufficient time for them to understand what exactly is being proposed.
  - Representation – recognition of IP institutional frameworks still poorly understood (& often ignored) by international orgs (including BINGOs) and governments.
  - Transparency – who ultimately decides?





## SPECIFIC FEEDBACK - Process

- Indigenous Peoples also concerned on the role of the Bank – have past lessons been learnt about violation of indigenous rights.
- Ownership issues need to be clarified (land, trees, carbon) – large carbon- based investments could make matters worse.
- Yet also recognised that if we got it “right” there could be a new role for Bank – acting as a role model of good practice for national governments to follow (UN-DRIP)  
Recent engagements appreciated – but long way to go!



## SPECIFIC FEEDBACK - Distribution

- Broad agreement on distributional mechanisms, imperative that:
  - Fair allocation among stakeholders
  - Results-based
  - Greater proportion flows to communities and civil society
- Indigenous Peoples noted that Bank's practice of channelling resources through client governments (despite poor resource management record) has excluded them and local communities
- NGOs recognised need for multiple mechanisms (grants for communities; guarantees & equity for industry; concessional loans for govt; innovative award schemes)



# STAKEHOLDER VOTING

- RESULTS from one of the major workshops >500
- Governance – over 90% thought governance was either pre-requisite (64%) or had to be addressed in parallel (27%)
- Will REDD investments make governance better or worse – room was evenly split (worse – 48%; better – 45%)
- Stakeholder consultation – 85% supported strengthen consultation as either essential (57%) or beneficial but complex (28%)



# GROWING FOREST PARTNERSHIPS

- Real interest in the approach and framework being offered by “Growing Forest Partnerships” – both generally and with certain countries.
- Appreciation that wholly top-down or bottom-up approaches will face major difficulties.
- Priority setting for investments must have local ownership
- A locally-owned multi-stakeholder partnership does not mean the exclusion of government – rather it helps legitimise government’s role.
- Not theory or wishful thinking – enough good examples that we can already build on.



## OTHER OBSERVATIONS

- Broad support for “The Forests Dialogue” (TFD) message – the potential that forests offer to mitigate climate change **WILL NOT BE REALISED** unless interventions recognise the multi-functional value of the forest asset and address issues of rights & equity, participation and distributional mechanisms.
  - Beyond – “co-benefits”: Sukhdev highlights that only 20% to 50% of a forest’s environmental service value is carbon-based and thus focusing on carbon alone is unlikely to deliver desired outcomes.
- Some issues with the FIP name – “investment” only is seen as a red flag – what about rights, governance etc?



# PERSONAL REFLECTIONS

- Urgent need for action but “less haste, more speed”.  
Don’t repeat the errors of the FCPF launch!  
Establishment of an inclusive process now – especially with IPs – will save time.
  - Strongly suggest that a signal comes out from this meeting.
- Reframe the argument away from “carbon & other co-benefits” towards “multi-functional and equitable forests being the best bet for mitigation” (and ensure that there is consistent donor action to match the rhetoric)
- ACTION: invest in and support local processes to set scope and priorities – such as those proposed by GFP.
- ACTION: capacity building (of all stakeholders) an absolute priority – “how to” discussions needed in REDD countries before large investments start to flow.

# CONCLUSION

- There is real potential for FIP but it is going to have to operate by mechanisms that benefit the people in the most difficult-to-reach areas !

