Session 3:
Ensuring Systems of Standards, Safeguards and Recourse Mechanisms

4th RRI Dialogue on Forests, Governance and Climate Change

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Outline

1. Starting points: relevant UNFCCC language

2. Observations, lessons from experience

3. Key Challenges/Questions for today's discussion

1. *Affirms:*

    d) Be undertaken in accordance to national conditions, sovereignty;

    e) Be consistent with national sustainable development goals;

    f) Facilitate sustainable development, reduce poverty;

    g) Promote broad country participation;

    k) Be results-based;

    l) Promote sustainable management of forests;

2. Further affirms…the following safeguards should be [promoted] [and] [supported]:

a) Actions consistent with national programs, international conventions and agreements;

b) Transparent and effective governance structures;

c) Respect for knowledge and rights of IP and members of local communities; international obligations, note UNDRIP;

d) Full and effective participation of stakeholders, in particular IP and local communities;

e) Consistent with conservation of natural forests…;

f) Address risks of reversal;

g) Reduce displacement of emissions.

1. This text is supported by a wide range of constituencies;

2. BUT, are standards, not yet "safeguards" (no responsibility for implementation; process of enforcement; clear consequences)

3. Most REDD countries do not fully apply or adhere to existing international standards; strong pressures to reduce/remove, appealing to urgency of climate change

4. <u>High standards</u> even more critical to set precedents now – because of the potential funding/market REDD aims to leverage, and limited ability to manage that market

5. <u>Common standards</u>, or system of coherent standards critical – due to multiplicity of initiatives (multi, bi-lateral, state, private), risk of race to bottom

UNREDD and FCPF: opportunity to set positive precedents; made some important progress in terms of advancing international standards (e.g. representation and attention to rights and governance)

But, mixed record on standards, safeguards, recourse mechanisms; progress slow in aligning with higher international legal standards, and slow in developing a common system - "harmonization":

1. UNREDD: standards but no safeguards, beginning to build recourse mechanisms – but fluid, and still to operationalize IP guidance note

2. World Bank: safeguards and recourse mechanism, but unclear how and when FCPF and FIP will (or will not) apply. Now requiring SESAs (Strategic Environmental and Social Assessments, a process towards safeguards but with no teeth and no triggers) – but will this guarantee full compliance with safeguards? FCPF projects are approved by Participant Committee not World Bank Board.

3. Without full commitment to safeguards: no clear goalposts (long-term objectives) or mileposts (progress towards objectives), or triggers for limiting funding. Safeguards not a "burden", only guarantee you reach objective.

1. World Bank has been a global leader on safeguards: (mandatory Operational Policies, recourse mechanism (Inspection Panel))

2. Current set of safeguards created (in 80's) for another problem: spatially-limited investment "projects". Now dealing with national level institutional reform processes, most far-reaching forest governance reform exercise (ever?)

3. The Bank (and others?) portfolio shifting away from investment projects (and thus indirectly away from applying safeguards):
   - From investments to "Development Policy Loans" – where safeguards don't apply; and to "use of country systems";
   - Resulting in: 1) safeguards applying to smaller % of projects; 2) indirectly "chilling" and discouraging investments in forestry/REDD; 3) risk/likelihood no safeguards applied to large climate adaptation loans.

Given low-level of compliance with safeguards, SESA's understandable, but not adequate. No clear incentive for governments to reform governance without:
   (1) clarifying commitment to safeguards;

   (2) establishing triggers, or "mileposts", for funding, and

   (3) unless other initiatives adopt similar standards, Bank role in climate change will diminish, along with global standards (race to the bottom).

A Very Contentious, Critical, Urgent Issue

- Real risks: no/low/mixed system of standards – major rift among REDD stakeholders; slow/confused implementation, violent conflict on the ground;

- Risky situation: more funding committed to REDD; but so far limited attention by donors and lead agencies to address (not in Paris, draft Oslo texts):

- *Donors – expecting implementing agencies (World Bank, UN) to resolve;*

- *World Bank, UN – expecting FCPF, UNREDD to resolve;*

- *FCPF – expecting governments (Participants Committee) to resolve;*

- *Everybody – waiting for the Bank Board and Inspection Panel to determine policy*

We have a "mess" on our hands, but it's not "wicked":

- We don't have wildly divergent views. WB, UN, Donors, have already voiced commitment to human rights, indigenous rights, ILO 169, equitable benefit sharing, etc.

- We need to accept, or more clearly identify our ethical, moral, position; develop a clear set of common criteria and systems; – and then stick to it.

- We have good precedents: "involuntary resettlement".

Key Challenges/Questions

1.   How will the Oslo process abide by/adopt the UNFCCC standards/safeguards? How will this process explicitly encourage, or set in motion a process, their design and institutionalization?

2.   How, between now and Cancun, to develop a common, or at least coherent, set of standards, safeguards, accountability mechanisms; (and encourage that multi; bi-laterals, states, private move adopt)?

3.   What are the steps forward to advance the above? Who does what and when?

What Strategy/Process Will We Choose?

Three approaches to solve wicked, messy social/political problems (Roberts 2000) :

Authoritative: vesting responsibility for solving problems in hands of a few .
1. Advantage: reduction of stakeholders reduces problem complexity,
2. Disadvantage: authorities and experts charged with solving the problem may not have an appreciation of all the perspectives needed to tackle the problem.

Competitive: allowing/pitting opposing points of view against each other, (e.g. forest certification wars of 1990's).
1. Advantage: different solutions can be weighed and the best one chosen.
2. Disadvantage: adversarial approach creates confrontational environment, knowledge sharing is discouraged, parties may not have an incentive to come up with best possible solution.

Collaborative: engage all stakeholders in order to find the best possible solution for all stakeholders (e.g. involuntary resettlement).
1. Advantage: joint "ownership" over solution, increased chance of durability
2. Disadvantage: achieving shared vision a time consuming process