

January 30, 2012

Iniciativa Las Comunidades Cuentan Más  
Bank Information Center  
Consejo Nacional de Organizaciones Campesinas A.C.  
Organización de Campesinos Ecologistas de la Sierra de Patatlán A.C.  
Organización de Ejidos Productores Forestales de la Zona Maya A.C.  
Red Indígena de Turismo en México A.C.  
Red Mexicana de Organizaciones Campesinas Forestales A.C.  
Sakbe Comunicación y Defensa para el Cambio A.C.  
Unión Nacional De Organizaciones Campesinas – Coordinadora Nacional A.C.

Mmes/Messrs,

*Subject: Your correspondence of January 26, 2012*

We thank you for your letter dated January 26, 2012, and for the constructive suggestions you raise for the proposed Mexico Forests and Climate Change Project.

This innovative and pioneer initiative aims to improve the livelihoods of about **4,000 forest communities in Mexico**, through the sustainable use of forest goods and services. Of its total financing package of US\$392 million, 88 percent would directly finance small-scale sub-projects proposed, prepared, and implemented by communities themselves.

The project would operate through the ongoing programs related to community forestry and environmental services run by the *Comisión Nacional Forestal* (CONAFOR) since 2001, and it would help secure the continuity of these programs in the future. **Just in 2011, about 2,300 communities have participated in these programs.**

In addition, the project will finance studies, workshops, and consultations related to forests and climate change in Mexico, and it would help explore new approaches for reducing emissions from deforestation and degradation (REDD+) through its Forest Investment Program (FIP) component. The project will be implemented in synergy with Mexico's participation in the Forest Carbon Partnership Facility (FCPF)—also operated by the Bank in Mexico.

Our comments on the specific points raised in your letter are discussed below:

## **1. Consistency of the SIL with the National REDD+ Strategy currently in preparation**

We fully agree that the SIL will need to be consistent with the National REDD+ Strategy (ENAREDD+) currently in preparation. Throughout the preparation of the SIL/FIP project, efforts were made to ensure consistency of the project with Mexico's 2010 REDD+ Vision, and as discussed in the following paragraphs, the project design is meant to ensure consistency with the eventual ENAREDD+. We agree that including in the project document a special reference on conducting a specific analysis to ensure coherence and consistency of the direction of the SIL with the content of the ENAREDD+ once the approval process of the ENAREDD+ has concluded, as proposed in your letter, will further clarify this important objective of consistency between the project and the ENAREDD+. In agreement with the Government this provision has now been included in the Project Appraisal Document (PAD, page 17, paragraph 54).

By design the project is meant to ensure the consistency of investments in the field with the national strategy, and vice versa. The project is programmatic in nature. It supports the national CONAFOR programs and is implemented through the CONAFOR rules of operation. It allows for a two-way, iterative process of retrofitting and improvement among the components that support community investments, policy making, and REDD+ Early Actions, especially through the annual adjustment of the CONAFOR rules of operations. (PAD, paragraph 32, page 31; paragraph 78, page 51; paragraph 14, page 120).

Several of your organizations met with our team in Mexico City on November 11, 2011. During that meeting, the synergies and differences among the various Bank instruments, the connection with the ENAREDD+, and the flexibility in improving the project's operational rules to incorporate new policy developments were addressed in detail. The same clarifications are already reflected in the PAD, paragraph 78, page 51.

We consider reasonable your suggestion that this principle of coherence and consistency with the ENAREDD+ should apply to all agreements and commitments of the Mexican Government with relation to REDD+. However, this seems to go beyond the scope of this project. Any other agreement of the Mexican Government with other partners outside the World Bank Group will be handled separately by the Government and these other partners through their respective instruments.

## **2. Consultations**

We agree that continued consultation is essential for the activities supported under the project to ensure broad community support. To clarify this point, the PAD now includes an explicit reference that "during Project implementation, CONAFOR will continue carrying out, expanding and adjusting as needed the Project's ongoing communication, dialogue and consultation strategy, with a specific calendar" (paragraph 67, page 19). The PAD already indicates that the consultation

methodology will be applicable across the three World Bank supported mechanisms (SIL, FIP, and FCPF) to ensure consistency of the package (paragraph 67, page 19).

Continued consultations are also essential for the REDD+ readiness preparation, as indicated in multiple FCPF related documents including Mexico's REDD+ Readiness Preparation Proposal. In that regard, in agreement with the Government, special reference will be made in the legal document of the FCPF readiness preparation grant to the completion of: (i) a Consultation Protocol; (ii) a REDD+ "Road Map" for the year; and (iii) a consultation calendar to be updated every 6 months.

The consultations carried out thus far are part of a continued process in the context of a programmatic approach. Every year, CONAFOR carries out a nationwide call for proposals for its community driven programs and the dissemination of the operational procedures. The fact that, in 2011, approximately 2,300 communities applied to the CONAFOR programs that will be supported by the SIL, indicates that communities have basic knowledge about these programs and have high interest to participate in them. The SIL/FIP also builds upon two previous successful community forestry and environmental services projects which evidenced widespread demand by local communities to participate in the CONAFOR programs.

The PAD includes a summary of the various activities of information and consultations carried out to seek feedback from stakeholders regarding the design of the project, and more detailed information can also be found in the Indigenous Peoples Planning Framework for issues related to indigenous peoples (PAD, paragraph 105, page 82). For the innovative FIP component, six multi-stakeholder workshops have taken place in the two proposed Early Action Areas in addition to specific meetings of the newly-created local multi-stakeholders consultative committees (local CTC-REDD+).

With regard to consultation on the safeguards instruments for the SIL/FIP, the approach was to use the national multi-stakeholder consultative committee (CTC-REDD+) as a proxy for national consultations given the thematic and geographic coverage of their membership. This type of national level consultation is common for programmatic projects using framework approaches such as the SIL/FIP. As indicated above, continued, detailed and extensive consultations will continue to be carried out during Project implementation, and a comprehensive communication, dialogue and consultation strategy for the project will be generated with a specific calendar and milestones. This is an iterative process and the existing project documents for the SIL and the FIP represent a general framework that will be further specified. We will very much welcome your proposals on how to strengthen overall civil society organizations' support and commitment to the project objectives by improving the modalities of the consultation moving forward.

In accordance with the Access to Information Policy, the PAD will be translated in Spanish within two months after Board approval.

As far as the National REDD+ Strategy is concerned, we are pleased that CONAFOR has already adjusted the timeline for the design of the National REDD+ Strategy, building more time for a preliminary phase of information and awareness.

### **3. Environmental Services and Community Forestry Programs**

We fully agree with your suggestion to ensure full compatibility of the Payment for Environmental Services (PES) program with sustainable forest management and production, at the same time ensuring an expansion of ecosystem services under PES. Indeed, the PAD already indicates that the project will promote greater integration of the PES program with the productive community forestry programs, and it proposes to develop a PES system for forest areas under productive sustainable management (PAD, paragraph 47, page 36). The PAD also foresees studies and workshops to draw lessons from ongoing programs, including PES and forest management, and to propose adjustments to the CONAFOR rules of operation to achieve greater integration and synergies among the environmental services and community forestry programs (PAD, page 27, paragraph 15).

### **4 and 5. Consistency between the SESA/FCPF and the SIL/FIP instruments**

We fully agree that the Strategic Environmental and Social Assessment (SESA) is an important tool to ensure public participation in policy-making related to REDD+. We note that CONAFOR has committed to conduct a SESA as part of its REDD+ readiness preparation supported by the FCPF, as indicated in Mexico's REDD+ Readiness Preparation Proposal. The first national SESA workshop took place in Mexico City on May 12, 2011. The Government has indicated its agreement to include in the documents of the FCPF Readiness Preparation Grant a special clause to complete a detailed SESA road map, including methodology, milestones, a timeline, and mechanisms to ensure synergies and consistency with the activities of the SIL/FIP.

It is relevant to note that the SIL/FIP and the FCPF, although consistent and in synergy with each other, are two different instruments. The SIL/FIP is an investment operation, and it will be implemented in accordance with the Environmental Management Framework, Indigenous Peoples Framework, and Involuntary Resettlement Framework that were developed during project preparation. The FCPF, on the other hand, will accompany the REDD+ readiness preparation, and it is subject to a SESA which would eventually lead to the development of an Environmental and Social Management Framework (ESMF). We fully agree that ensuring the consistency and synergy between these processes is essential. To emphasize this point, the PAD already indicates that the SESA to be supported under the FCPF could inform the design of REDD+ activities in Early Action Areas under the SIL/FIP project, and conversely the experiences from the implementation of the SIL/FIP could inform the SESA and the design of the national REDD+ strategy (PAD, paragraph 19, page 29). The PAD also highlights that the linkage between the FCPF and FIP resources is consistent with the widely recognized three phases REDD+ financing: (i)

readiness with FCPF support, (ii) capacity-building and pilots with FIP resources; and (iii) potential future performance-based payments under the FCPF Carbon Fund or any similar instrument (PAD, paragraph 78, page 51).

## **6. The Issue of Insecurity and Violence**

The issue of security is critical for the operating environment of the project. Although issues related to security go beyond the scope of the project, they will be considered during project implementation to the extent they may generate risks to the sustainability or the success of the activities supported by the project. Although resettlement impacts not directly caused by Bank supported activities would not be covered under the Policy (OP4.12), the project design incorporates a Grievance Mechanism that communities can follow to submit any project related complaint in a written or oral form and tailored to the need for a specific language other than Spanish (PAD, page 81, paragraph 104).

## **7. Inter-Institutional Coordination**

Your recommendation on Inter-Institutional Coordination is almost entirely incorporated in the project through the involvement of the existing Inter-institutional Commission for Climate Change (CICC) and the Inter-secretarial Commission for Sustainable Rural Development (CIDRS) in the project. These two Commissions include almost all the government agencies proposed in your letter, and these agencies have participated in various meetings with CONAFOR throughout the project design. The Government has indicated that the Secretary of Public Security is not formally a member of the Inter-institutional Commission for Climate Change (CICC) and the Inter-secretarial Commission for Sustainable Rural Development (CIDRS). The composition of the CICC and CIDRS is presented in paragraph 12, page 55 of the PAD.

## **8. Effective Participation of Forest Communities at All Levels**

The effective participation of forest communities at all levels will be fundamental throughout implementation of the project.

The Government has indicated that the Steering Committee and the Operational Committee mentioned in Annex 3 of the PAD are internal bodies of CONAFOR for the overall management and operation of the project. However, CONAFOR is fully committed to strengthening a variety of participatory mechanisms and to create venues to ensure community participation at multiple levels. These include: (i) at community level, the development of a consultation methodology to seek broad participation of *ejidatarios*, *comuneros*, *posesionarios* and *avecindados*, as well as women and youth (PAD, paragraph 96, page 77); (ii) the support to six inter-municipal associations and an estimated twenty civil society organizations to help associations of communities develop joint landscape-level initiatives (PAD, paragraph 58, page 39); (iii) the support of training and other capacity-building activities to enable local communities and other local stakeholders to actively

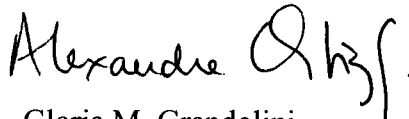
participate in monitoring, reporting and verification (MRV) efforts (PAD, paragraph 13, page 27); (iv) the support to workshops and consultations with forest communities and other stakeholders on issues related to forests and climate change including a specific collaborative program with the *Comisión Nacional para el Desarrollo de los Pueblos Indígenas* (CDI) to disseminate information and receive feedback from indigenous communities (PAD, paragraph 18, page 29); and (v) the support for the implementation of additional measures included in the Indigenous Peoples Framework. In each Early Action Areas, CONAFOR also supported the creation of a multi-stakeholder consultative committee (local CTC-REDD) and intends to support the operation of the local CTC-REDD through the project, as well as the operation and further strengthening of the national CTC-REDD. These mechanisms will complement existing dedicated for such as the *Consejo Nacional Forestal* (PAD, paragraph 18, page 56).

## 9. Selection of Early Actions and Geographical Coverage

Clear and explicit criteria were used by CONAFOR for the selection of Early Action Areas, consistent with the priorities of the FIP, as listed in the PAD: (i) potential for achieving emission reduction outcomes; (ii) potential for improving local population livelihoods and other socioeconomic co-benefits; (iii) potential for achieving environmental co-benefits including biodiversity and watershed protection; (iv) implementation feasibility, including a critical mass of local partners and political support; and (v) short-term transformational impact useful for local and national scaling-up strategies (PAD, paragraph 16, page 125). The PAD also indicates that other Early Action Areas might be envisaged for project support at a later stage, depending on progress, lessons learned, and institutional opportunities (PAD, paragraph 49, page 36).

The interactions with your organizations have enhanced project design and we look forward to continuing this fruitful exchange of ideas and collaboration. Our team will meet with some of your members in Washington DC, on February 2, 2012, and we understand that CONAFOR has proposed to meet with your organizations in Mexico City on February 7, 2012. We very much look forward to continuing this fruitful exchange and collaboration with your organizations.

Sincerely,



for Gloria M. Grandolini  
Director  
Colombia and Mexico  
Latin America and the Caribbean Region