

CLIMATE INVESTMENT FUNDS

FIP/SC.2/CRP.1
February 3, 2010

Meeting of the FIP Sub-Committee
Washington, D.C.
February 3 and 4, 2010

**COMMENTS ON FIP SUB-COMMITTEE WORKING DOCUMENTS
SUBMITTED BY THE REPRESENTATIVE OF THE INDIGENOUS PEOPLES'
ALLIANCE OF THE ARCHIPELAGO (AMAN), INDIGENOUS PEOPLES OBSERVER**



Pengurus Besar Aliansi Masyarakat Adat Nusantara

Jakarta, 3 February 2010

FOREST INVESTMENT PROGRAM (FIP) - SUB COMMITTEE CLIMATE INVESTMENT FUNDS (CIF)

The World Bank
1818 H Street NW
Washington, D.C. 20433

Dear Members of FIP-Sub Committee

On behalf of the Indigenous Peoples' Alliance of the Archipelago (AMAN – Aliansi Masyarakat Adat Nusantara)¹ of Indonesia, I was invited to attend the FIP-Sub Committee Meeting as Indigenous Peoples representative. Please apologize that unfortunately, I'm not able to come, as I have other commitment at the same time as the meeting's scheduled.

However, in my absent to this FIP-Sub Committee meeting, I would like to draw your attention to some of issues notably the "Investment Criteria and Financing Modalities" and the "Operational Guidelines Update", which will be discussed in the meeting.

On the Elements of FIP Operational Guidelines :

- **Slide 11** : There is no indication of Compliance Processes parallel to the project cycle. Monitoring and evaluation seem to be just the last phase of the project cycle. We think it's important that Compliance Process, Monitoring and Evaluation as well as the respective mechanism are available in every stage of the operational of the FIP, to ensure that any problems that may occur could be addressed immediately.
- On the parts of the application of safeguards, it is said in a following slide that "*Program and project activities will be prepared and implemented in accordance with relevant MDB procedures.*" and this seems to be consistent with the design document language according to which : "*36. The FIP programming, approval and supervision processes will follow the MDB's policies and procedures, including the relevant MDB's disclosure policy.*"

1 The Indigenous Peoples' Alliance of the Archipelago (AMAN-Aliansi Masyarakat Adat Nusantara) is peoples organisation comprised of Indigenous communities from various parts of the Indonesian Archipelago. AMAN is a forum for the struggle of Indigenous Peoples in matters relating to upholding the Rights of Indigenous Peoples in politics, social, economy, cultural and natural resources through just and sustainable ways.

AMAN was founded in 1999 as a result of the March 1999 *Congress of the Indigenous Peoples of the Archipelago* and was declared on March 17 1999 in Jakarta. In August 2009, total number of Indigenous communities that had registered and become AMAN members are 1.163 communities. In running the organization, AMAN has National Board, 14 Regional Chapters and 27 Local Chapters.



Pengurus Besar

Aliansi Masyarakat Adat Nusantara

Meanwhile, on slide 35 of the Presentation on Investment Criteria, where it specifies the selection of safeguard and it states clearly that FIP will have to rely on a series of different safeguard according to the MDB that will be funding the project:

“FINANCING PROCEDURES AND CONDITIONS

Resource approval:

“The FIP Sub-Committee will be requested to endorse a FIP resource envelope for individual projects or programs in an Investment Plan and to authorize the designated MDB to proceed with development and preparation of individual investment operations for FIP co-financing Procedures, including safeguards:

Individual operations under each country’s FIP investment strategy will be processed through the MDBs working with the country. Each operation will follow the investment lending policies and procedures of the MDB, including its fiduciary standards and environmental and social safeguards. Each MDB will apply its own appropriate procedures in appraising, approving, supervising, monitoring and evaluating operations to be financed from the FIP.”

This language gives space to a “race to the bottom” by the proponent of the project that would go to the MDB with lower standards, while in fact what is key here is to ensure that the highest standard would prevail. What sort of coherent oversight can the Sub Committee have in these conditions and lacking clear tools for assessment?

Rather, in order to enable the Sub Committee to fulfill its roles, what would be needed is a clear guidance related to some specific reference to the categories of projects that FIP will consider and how they fit in the relevant procedures for application of operational policies such as access to information/consultation, Environmental Impact Assessment, Indigenous Peoples etc. We think this is something that the Sub Committee should call for at least to ensure some common denominators among the various MDBs safeguards.

On the Elements of FIP Investment Criteria and Financing Modalities :

- How this “multiplication” of Safeguard Criteria might impact on the respect of Indigenous Peoples’ rights can be seen in Slide 10 that deals with “*Integrating sustainable development (livelihoods, biodiversity, ecosystems, economic viability)*”

The reference to the rights of indigenous peoples is extremely vague and weak :

As a matter of fact,

“Proposals set out how FIP investment will catalyze, support and measure and monitor the delivery of, inter alia, the following (as appropriate):

*Demonstrable improvement in social and economic well-being of forest dependent communities, including poverty reduction, equitable benefit sharing, and **acknowledgement** of the rights and role of indigenous peoples and local communities.”*



Pengurus Besar

Aliansi Masyarakat Adat Nusantara

- Another element of concern is about the quality of information required in terms of performance assessment. The FIP design document, specifies :

“Transparent performance measures and procedures for performance assessment should be part of the project design and should serve as a basis for course correction during implementation in close collaboration with the relevant actors at the national or regional level”

However, there is no reference on slide 19 of the Operational Guidelines presentation on the procedures for performance assessment in the information that are required

- Additionally, at the list of the contents of the Investment Strategy and then the information/documentation that needs to be attached to the specific project, there is nothing in there that would provide information on the possible impacts and remedial actions, and about the process of consultation with Indigenous Peoples and stakeholders. Although there is a general document at Section 5 (1-2 pages) about risk assessment, but this does not seem to include the data above. This vagueness is even more questionable, when one of the goals of the dedicated initiative, notably that of ensuring participation of IPs in the project development and implementation.

This procedural right cannot be exclusively upheld at a very late stage of the project cycle, but rather by identifying clear processes of participation, that in any case involves a long process that is not reflected in the steps described in the slides and access to information that need to be “embedded” throughout the whole process.

- In slide 21 of the other document related to “elements of investment criteria and financing modalities” whereas it specifies that grants through the Indigenous Peoples’ Dedicated Initiative would NOT go for the preparatory phase, but just for the implementation activities. This have to be re-considered since Indigenous Peoples needs some preparation steps that have to be included. This has been one of the topics of discussion in the Indigenous Peoples Working Group on FIP Dedicated Initiative.

FIP Funded Pilots – FCPF and UNREDD

- Another issue is the need to ensure consistency of the FIP funded pilots with the activities of the FCPF and UNREDD that might occur in the same place. There is no clarity on how the Investment Strategy should be harmonized with the RPP and the NJPs for instance.

The FIP design document is clear:

Coordination with other REDD efforts. The FIP should complement, be coordinated with, and cooperate closely with other REDD demonstration and implementation initiatives and ongoing REDD efforts, such as FCPF and the UN-REDD Programme, based on their comparative advantages. Where applicable the FIP should build on the “readiness work” funded by FCPF, the UN-REDD Programme and other initiatives and should generate lessons for, and be informed by, other REDD initiatives on how to achieve scale and transformational impact in the implementation of REDD activities “



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But the presentation of the operational guidelines does not mention the procedures that will be put in place to ensure this.

These are some thoughts and concerns that we want to raise. We hope these will be taken into consideration and be discussed in the meeting.

Last but not least, we wish that the Sub Committee meeting will be fruitful and really ensure that the rights of Indigenous Peoples are fully recognize and protected in the FIP.

Respectfully,

Mina Susana Setra

Director of International Advocacy and Foreign Affairs
AMAN

CC :

Abdon Nababan, Secretary General of AMAN

Victoria Tauli Corpuz, Member of Observer to FIP Sub-Committee – Chairperson of UNPFII

Aliansi Masyarakat Adat Nusantara