

Booklet

Understanding the safeguard requirements
of The Forest Carbon Partnership Facility
(FCPF): a Tool for Indigenous Peoples and
Local Communities



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In doing so, this project seeks to strengthen the high-integrity carbon market for Nature-Based Solutions (NBS) to climate change that provide economic, social and environmental benefits for the countries and local communities producing the carbon credits.

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Acronyms

ER	Emission Reductions
ERPA	Emission Reduction Payment Agreement
ESMF	Environmental and Social Management Framework
FCPF	Forest Carbon Partnership Facility
FGRM	Feedback and Grievance Redress Mechanism
GRS	Grievance Redress Service
MF	Methodological Framework
NDC	Nationally Determined Contribution
SESA	Strategic Environmental and Social Assessment
SOI	Summary of Information
SIS	Safeguards Information System
RBP	Results-based payments

Introduction

Objective of this document

The objective of this document is to provide Indigenous Peoples and Local communities (IP and LC) with a clear understanding of the safeguard requirements of the Forest Carbon Partnership Facility (FCPF) developed by the World Bank with the ultimate goal of empowering them to participate effectively in national or subnational government led processes ('Participants') in connection to the FCPF.

This document is not intended to provide a critical analysis of FCPF. Direct quotations from FCPF official documentation will be directly cited and quoted in italic, and any other recommendations or analysis is the author's own, based on experience and best practices.

Structure of this document

As mentioned above, this tool aims to facilitate understanding of the FCPF' safeguards requirements for IP and LCs. The document is structured as follows:

Section 1 presents the background and overview of the FCPF.

Section 2 presents the safeguards requirements of FCPF.

Section 3 explains FCPF safeguard related reporting requirements and offers guidance to IP and LCs on how to engage with national and subnational government led processes on this matter.

This paper has been developed through a mixed-methods approach. A desk-based analysis has been conducted particularly as a source for official information on FCPF. A series of webinars have also been conducted with key stakeholders from IP and LC's organizations which have contributed to collecting contextual and views and perspectives on the matter.

Who should be using this tool?

This tool is primarily addressed to leaders from IP and LC organizations at both national and subnational level who are engaging with Jurisdictional REDD+ programs that are registered with FCPF.

I. Background

The FCPF is a global partnership fund - comprising governments, the private sector, civil society, international organizations, and indigenous peoples and local communities (IP and LCs) - under the World Bank designed to help eligible countries “get ready” to implement emission reduction (ER) activities and ultimately receive results-based payments (RBPs).

The overall goal of the FCPF is to pilot results-based emission reductions payments to countries that have advanced through REDD+ readiness and implementation and achieved verified emission reductions in their forest sector¹. In addition, the facility tests ways to sustain or enhance livelihoods of local communities and to conserve biodiversity. Specifically, the FCPF has the following objectives²:

- “To assist Eligible REDD Countries in their efforts to achieve Emission Reductions from deforestation and/or forest degradation by providing them with financial and technical assistance in building their capacity to benefit from possible future systems of positive incentives for REDD;
- To pilot a performance-based payment system for Emission Reductions generated from REDD activities, with a view to ensuring equitable benefit sharing and promoting future large-scale positive incentives for REDD;
- Within the approach to REDD, to test ways to sustain or enhance livelihoods of local communities and to conserve biodiversity; and
- To disseminate broadly the knowledge gained in the development of the Facility and implementation of Readiness Preparation Proposals and Emission Reductions Programs.”

This support is channelled through two funds: the “[Readiness Fund](#)” and the “[Carbon Fund](#).”³

¹FCPF Annual Report 2023, available at: https://www.forestcarbonpartnership.org/sites/default/files/documents/_web_world_bank_2023_fcpf_annual_report_r01.pdf

²International Bank for Reconstruction and Development, Charter Establishing The Forest Carbon Partnership Facility, available at https://www.forestcarbonpartnership.org/system/files/documents/FCPF%20Charter_April%208%202020_amended_clean_1.pdf

³FCPF, Process Guidelines, V5.3, June 2023, available at: https://www.forestcarbonpartnership.org/sites/default/files/documents/fcpf_process_guidelines_2023_v5.3_1.pdf

The objective of the Readiness Fund is to assist developing countries in preparing for participation in REDD+.

The Carbon Fund builds on the progress made using Readiness funding and is designed to actually pilot RBPs for emission reductions from REDD+ programmes.

To assist with assessing the programmes, the FCPF adopted a Methodological Framework (MF) which was used as the standard by which the ER programmes would be assessed. In terms of safeguards, the MF sets out that Participants (national and subnational governments) must meet the following three requirements:

- 1. Meet the World Bank’s social and environmental operational policies.** The FCPF Carbon Fund requires demonstrating conformance with World Bank operational policies triggered during readiness preparation and identified during the Strategic Environmental and Social Assessment (SESA) process. The SESA produces a list of environmental and social risks in the country’s approach to ER and requires Participants to put together ‘Safeguards Plans’ to mitigate these risks. The Safeguard Plans conform the country’s Environmental and Social Management Framework (ESMF), which is the roadmap it will use to manage existing risks and prevent others.
- 2. Provide information on the implementation of the ‘Safeguard Plans’.** The MF requires that appropriate monitoring arrangements are included in the respective Safeguards Plans, and that during ER program implementation, information on the implementation of Safeguards Plans is included with each yearly monitoring report and interim progress report. This information is required to be publicly disclosed, and the emission reduction Program is encouraged to make this information available to relevant stakeholders.
- 3. That the design and implementation of ER Programs utilize stakeholder information sharing and consultation mechanisms that are transparent, ensure broad community support and the full and effective participation of relevant stakeholders, in particular affected IP and LCs.** The ER Program should ensure its design and implementation reflects inputs by affected stakeholders, that special attention is paid to the legal and customary rights of IP and LCs, and considers applicable laws, including national laws and ratified conventions, treaties and commitments (this includes Nationally Determined Contributions (NDCs)).

II. Understanding the safeguard-related requirements of the FCPF

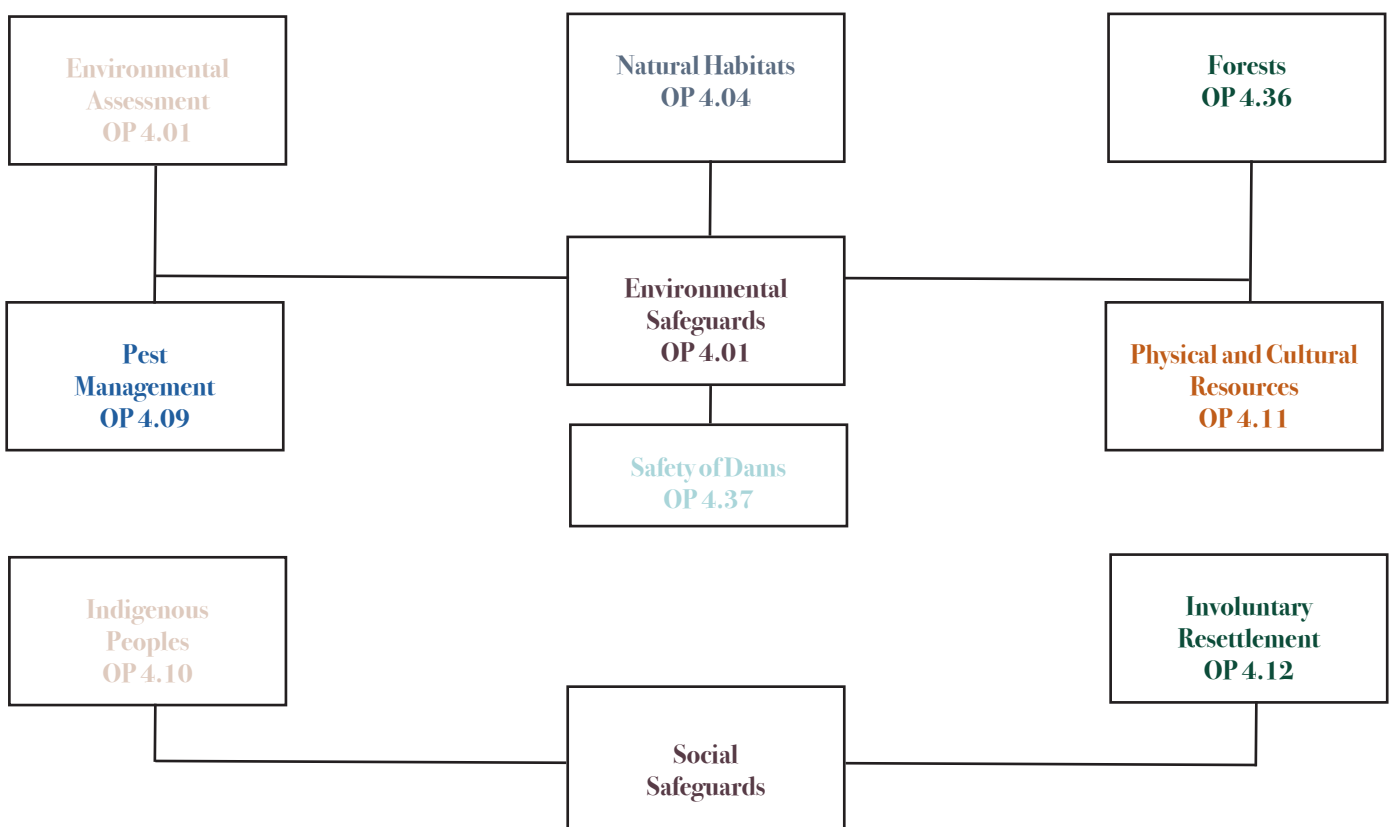
Requires Participants to primarily demonstrate conformance with the World Bank safeguards in the context of REDD+ actions for which results based payments would be granted, whilst the Cancun safeguards are expected to be “promoted and supported”.

It is the World Bank’s view that its safeguards policies, procedures and practices are consistent with the Cancun safeguards. Meeting the World Bank safeguards at ER Program implementation involves:

- a) taking account of the safeguard policies triggered during readiness preparation and of relevant social and environmental sustainability issues identified during the SESA process, and
- b) implementing the Safeguards Plans prepared in accordance with the ESMF that has resulted from the SESA.

The World Bank’s operational policies are illustrated in figure 1.

Figure 1 The WB operational policies



Key Takeaways for IP and LCs:

- It is worth underlining that Participants are only applying the ‘triggered World Bank operational policies’ through the adopted ‘Safeguard plans’, all of which may not cover the scope of all seven Cancun safeguards. This is why it is important IP and LCs have access to and review the scope of these Safeguard Plans, and hence applicable safeguards, all of which are accessible [here](#) (please search by country). The safeguard plans provide a roadmap for the safeguards applicable in the relevant jurisdiction.
- This means that FCPF funded activities will not be monitored against all the World Bank’s safeguards, but rather only the safeguards applicable to the risks identified during the SESA process. This does not leave much room for risks or areas they may have grown in risk level since the SESA or new risks that may arise, and thus leaves important safeguard gaps.

How does FCPF address land tenure and prevent land grabbing?

The FCPF Carbon Fund requires Participants to address land tenure and prevent land grabbing through the following measures:

1. The FCPF Carbon Fund⁴ requires a full assessment of the land and resource tenure of the jurisdictional program including the different categories of right holders, customary rights, types of tenure rights—rights of use, access, management, ownership, exclusion—as well as any land area under a dispute or contested rights. This assessment is required to be done in a consultative, transparent and participatory manner, reflecting inputs from relevant stakeholders, which would include IP and LCs. This measure means IP and LCs have a right to participate in these processes, and to object if they have not been engaged.
2. Additionally, the FCPF Carbon Fund⁵ requires that all issues identified in the above assessment are considered in the design and implementation of the ER Program, and the relevant Safeguards Plan(s). IP and LCs have a right to review these Safeguard Plans, monitoring reports, and interim progress reports with a view to ensuring these issues are addressed.

⁴MF Criterion 28: The ER Program has undertaken and made publicly available an assessment of the land and resource tenure regimes present in the Accounting Area.

⁵MF Indicator 28.2

3. If the ER Program involves activities that are contingent on establishing legally recognized rights to lands and territories that IP and LCs have traditionally owned or customarily used or occupied, the relevant Safeguards Plan should set forth an action plan for the legal recognition of such ownership, occupation, or usage. These action plans will be part of the submission to the FCPF, which IP and LCs have a right to review in a way that is accessible to them.
4. Beyond what is required for the successful implementation of the ER Program, IP and LCs should know that the ER Program is encouraged to show how it can contribute towards clarifying land and resource tenure in the Accounting Area, where relevant. This information would also be contained in the Safeguard Plans and reported through monitoring and interim progress reports, which IP and LCs have a right to review.
5. Participants are required to show proof of ownership in the ERs for which issuance is requested⁶. This extends to requiring that the Participant clarify if the jurisdictional program includes IPLCs that have ownership over carbon rights, in which case the Participant needs to prove how such carbon rights will be transferred to the Participant (e.g. through agreements with IP and LCs). The ability to transfer Title to ERs may be demonstrated through various means, including reference to existing legal and regulatory frameworks, sub-arrangements with potential land and resource tenure rights-holders, and benefit-sharing arrangements under the Benefit-Sharing Plan.

How does FCPF address Benefit-Sharing?

The FCPF Carbon Fund requires that the Participant adopt a benefit-sharing arrangement/ plan for the ER Program⁷. To this end, IP and LCs should be aware of the following requirements for Participants, which they have a right to uphold:

1. The benefit sharing plans must be made publicly available prior to the Emission Reduction Payment Agreement (ERPA) signature, at least as an advanced draft, and be disclosed in a form, manner, and language understandable to the affected stakeholders for the ER Program. If a final Benefit-Sharing Plan is not provided at the time of ERPA signature, it becomes a condition precedent which must be fulfilled in order for the sale and purchase obligations under the ERPA to become effective.

⁶The FCPF Carbon Fund does not require the Participant to have full title over the ERs at the moment of the Program being approved by the FCPF Carbon Fund but the Participant needs to prove this at the time of the ERPA signature or, at the latest, at the time of the transfer of the ERs.

⁷Section 5.2 of MF of FCPF Carbon Fund.

2. The benefit sharing plans must be designed in a consultative, transparent, and participatory manner appropriate to the country's context, this means engaging IP and LCs and other relevant stakeholders in a meaningful and consultative way.
3. The design and implementation of the Benefit-Sharing Plan must comply with relevant applicable laws, including national laws and any legally binding national obligations under relevant international laws, this could include ratified international treaties, conventions or commitments made by the Participant. IP and LCs should advocate for these to comply with relevant international conventions and agreements, domestic legal frameworks and international best practices⁸, which generally consider that benefit sharing plans should:
 - **Outline a meaningful participatory process for developing the BSP.** The plan should clearly outline how stakeholders will be engaged in the process of developing the BSP, with the aim of ensuring their meaningful engagement. This should build on a robust and transparent stakeholder mapping exercise to correctly identify the relevant stakeholders.
 - **Identify their legal basis.** The plan should consider a mapping of the legal basis, to help ensure the BSP is designed through existing structures, albeit not, strictly speaking, tailored to REDD+. In accordance with emerging best practices, when these existing structures are well-functioning, countries should consider regulating benefit sharing within the framework of these existing structures, which can make it easier for concerned actors to participate in REDD+ than to build an entirely new structure.
 - **Identify the beneficiaries.** Beneficiaries are understood as a group of stakeholders (people involved in or affected by REDD+ Program implementation) to receive Monetary and/or Non-Monetary Benefits resulting from the REDD+ Program. Beneficiaries may include but are not limited to, communities, civil society, and the private sector, including any nested REDD+ projects. Governments, as Program Entities and parties to the Emission Reduction Payment Agreement (ERPA), may be considered beneficiaries, and retain a certain amount of ERPA Payments to cover their costs for implementing and/or managing the REDD+ Program.
 - **Identify the types of benefits.** The plan should identify the form/types of benefits that are expected to be offered in correlation to the relevant REDD+ actions, which include Monetary and/or Non-Monetary Benefits.

⁸For example, https://wwfint.awsassets.panda.org/downloads/wwf_assessment_report_redd_programs_v4.pdf or https://www.nature.org/content/dam/tnc/nature/en/documents/tnc_benefit%20sharing_web.pdf or https://www.cifor.org/publications/pdf_files/Books/REDD-Benefit-Sharing.pdf

- **Identify the mechanism/process for the distribution of benefits.** The plan should outline the way in which Monetary and Non-Monetary Benefits are to be shared with Beneficiaries, including both their proportion and the mechanism used.
 - **Identify the necessary institutional arrangements.** The plan should also identify the institution(s) responsible for the BSP.
 - **Identify the monitoring provisions for the implementation of the BSP.** The plan should also identify the necessary monitoring provisions for the BSP.
4. The implementation of the benefit sharing plans must be reported through the monitoring reports and interim progress reports which IP and LCs have a right to review.

How does FCPF address grievances and the need for a grievance redress mechanism at the jurisdictional level?

There are three main avenues for addressing grievances available to IP and LCs under the FCPF:

1. The FCPF Carbon Fund requires that Participants put in place a Feedback and Grievance Redress Mechanism (FGRM) for each ER Program. Each FGRM should be accessible to all stakeholders, and its procedure should include detailed information on how it plans to receive, screen, address, monitor, and report feedback on, grievances or concerns submitted by affected stakeholders.

These mechanisms and/or procedures are expected to be aligned with relevant international agreements or conventions and domestic legal frameworks in a way that guarantees the right of access to justice in the context of REDD+ activities. In this sense, IP and LCs should consider and advocate that the available grievance redress mechanisms incorporate the following principles set out by international best practices⁹:

⁹For example, https://knowledgehub.transparency.org/assets/uploads/kproducts/ti_document_-_guide_complaint_mechanisms_final.pdf or <https://irm.greenclimate.fund/resources/other> or https://climateactiontransparency.org/wp-content/uploads/2020/10/Stakeholder-Participation-Guide_ch9.pdf

- a) **Legitimate:** enabling trust from the stakeholder groups for whose use they are intended and being accountable for the fair conduct of grievance processes. Accountability for ensuring that the parties to a grievance process cannot interfere with its fair conduct is typically one important factor in building stakeholder trust.
- b) **Accessible:** being known to all stakeholder groups for whose use they are intended and providing adequate assistance for those who may face barriers to access. Barriers to access may include a lack of awareness of the mechanism, language, literacy, costs, physical location, and fears of reprisal.
- c) **Predictable:** providing a clear and known procedure with an indicative timeframe for each stage, and clarity on the types of process and outcome available and means of monitoring implementation. For a mechanism to be trusted and used, it should provide public information about the procedure it offers.
- d) **Equitable:** seeking to ensure that aggrieved parties have reasonable access to sources of information, advice, and expertise necessary to engage in a grievance process on fair, informed and respectful terms. Where imbalances are not redressed, perceived inequity can undermine both the perception of a fair process and the mechanism's ability to arrive at durable solutions.
- e) **Transparent:** keeping parties to a grievance informed about its progress and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake. Providing transparency about the mechanism's performance to wider stakeholders, through statistics, case studies or more detailed information about the handling of certain cases, can be important to demonstrate its legitimacy and fairness, and retain broad trust. At the same time, confidentiality of the dialogue between parties and of individuals' identities should be provided where necessary.
- f) **Rights compatible:** these processes are generally more successful when all parties agree that outcomes are consistent with applicable national and internationally recognized rights. Grievances are frequently not framed in terms of rights and many do not initially raise human rights or other rights concerns. Regardless, where outcomes have implications for rights, care should be taken that they are consistent with applicable nationally and internationally recognized standards and that they do not restrict access to other redress mechanisms.

- g) **Enabling continuous learning:** drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms. Regular analysis of the frequency, patterns, and causes of grievances; strategies and processes used for grievance resolution; and the effectiveness of those strategies and processes, can enable the institution administering the grievance redress mechanism to improve policies, procedures, and practices to improve performance and prevent future harm.

How to access the FRGM in your country should be available in the Safeguard Plans and/or Benefit Sharing Plans, all accessible [here](#) (please search by country).

2. The Grievance Redress Service (GRS) of the World Bank. The GRS is a corporate-level complaint-handling mechanism that helps task teams broker solutions for direct or referred complaints submitted to World Bank management. It is intended to serve as an avenue for individuals and communities to submit complaints directly to the World Bank if they believe that a World Bank (in this case, FCPF) -supported project has or is likely to have adverse effects on them community or their environment. The GRS is accessible [here](#).

You can contact the GRS through its website at www.worldbank.org/grs or via email at grievances@worldbank.org

3. World Bank Inspection Panel: The Inspection Panel is a complaints mechanism that assesses allegations of harm to people or the environment and reviews whether the World Bank followed its operational policies and procedures. The Panel is independent of the World Bank management and staff and reports directly to the Board of Executive Directors. Information about how to file the complaint, including the forms, is accessible [here](#).

You can contact the Inspection Panel by:

E-mail: ipanel@worldbank.org

Phone: +1 202 458 5200

III. Understanding FCPF relevant reporting requirements

How does FCPF require the application of UNFCCC reporting requirements?

The FCPF Carbon Fund does not require Participants to have a safeguard information system (SIS) or submit a Summary of Information (SOI) to the UNFCCC. However, this does not mean the government is not obliged to put a SIS in place and submit a SOI, as these are requirements under the UNFCCC, which the government has committed to fulfilling.

How can IP and LCs access information submitted to the FCPF?

The opportunities for IP and LC involvement are limited in the FCPF. This said, the Fund clearly establishes that information regarding the processes should be made public and accessible. Specifically, there are two access points:

a. Before Participants submit their Safeguard Plans to the FCPF Carbon Fund

Participants are required to prepare the Safeguards Plans concurrently with the ER Program Document¹⁰. These Safeguard Plans should be publicly disclosed in a manner and language appropriate for the affected stakeholders, this means in local languages and located somewhere accessible, for example. However, if these Safeguard Plans have not been accessed by stakeholders by the time of the ERPA signature (which is the last step before RBPs) they become a condition that must be fulfilled for the sale and purchase obligations under the ERPA to become effective. This means IP AND LCs have a right to review these Safeguard Plans before submission to the FCPC Carbon Fund, and that the Plans should be “accessible” to them, in language and access.

¹⁰FCPF Methodological Framework, https://www.forestcarbonpartnership.org/system/files/documents/fcpf_carbon_fund_methodological_framework_revised_2020_final_posted.pdf

b. Before Participants submit the ER monitoring report and interim progress reports to the FCPF Carbon Fund

During ER Program implementation, Participants are required to submit information on the implementation of Safeguards Plans in an annex to each ER monitoring report and interim progress report, usually on an annual basis¹¹. In addition, this information should be made public for all affected stakeholders. In that sense, IP and LCs have a right to review these ER monitoring reports and interim progress reports before submission to the FCPF Carbon Fund, and if possible provide feedback and inputs.

¹¹ibid

Bibliography and other resources

World Bank safeguard policies- Video: <https://www.worldbank.org/en/news/video/2017/10/20/environmental-and-social-framework-video>

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Safeguard Policies in the World Bank Operational Manual

Joint FCPF/UN-REDD Programme Guidance Note for REDD+ Countries Establishing and Strengthening Grievance Redress Mechanisms

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