



Rights and Resources Initiative Dialogue Bulletin

A Summary Report of the Twelfth Rights and Resources Initiative (RRI) Dialogue on Forests, Governance and Climate Change

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SUMMARY OF THE TWELFTH RRI DIALOGUE ON FORESTS, GOVERNANCE AND CLIMATE CHANGE: SCALING-UP STRATEGIES TO REDUCE EMISSIONS AND ADVANCE DEVELOPMENT IN FOREST AREAS 5 NOVEMBER 2012

The twelfth Rights and Resources Initiative (RRI) Dialogue on Forests, Governance and Climate Change convened at the Newseum in Washington, DC, USA, on 5 November 2012, to consider the theme “Scaling-Up Strategies to Reduce Emissions and Advance Development in Forest Areas.” This event was organized by RRI in collaboration with The Nature Conservancy.

More than 150 participants from about 20 countries, including representatives from governments, non-governmental organizations (NGOs), community and Indigenous Peoples organizations, international organizations and the academic community, attended the event. Expert panel sessions framed the discussion on the following four agenda items: expanding adoption of sustainable supply chains in the forestry and agribusiness sectors; lessons learned from the extractive and infrastructure sectors in promoting forest conservation, tenure and governance reforms, and community benefits; innovative approaches to leverage finance and investment for tenure and governance reforms in forest areas; and summary and next steps. The event was organized to accelerate learning and sharing among different sectors. Participants discussed the drivers of deforestation and incentives that might change supply chains and the extractive industry, proposals related to tenure risk analysis and tenure reform, the use of social and environmental standards, the importance of the free-flow of information and identification of investors’ risks, specific case studies, and the importance of addressing the rights of Indigenous Peoples, women and other marginalized groups, among other issues.

A BRIEF HISTORY OF THE RRI DIALOGUES

RRI is a coalition of 14 Partners and over 120 international, regional, and community organizations advancing forest tenure, policy and market reforms. The initiative aims to promote greater global action on pro-poor forest policy and market reforms to increase household and community ownership, control and benefits from forests and land. The Rights and Resources Group (RRG), a non-profit organization based in Washington, D.C. (USA), is the secretariat of this global initiative.

The series of RRI Dialogues on Forests, Governance and Climate Change is designed to foster critical reflection and learning on forest governance, the rights of forest communities

and Indigenous Peoples, and forest tenure in the context of global action to combat climate change, including REDD+. This series builds on the discussions of the International Conference on Rights, Forests and Climate Change, convened by RRI and Rainforest Foundation-Norway in October 2008.

Since July 2009, the Dialogues have been organized by RRI Coalition members and other co-organizers in London (UK), Washington D.C. (USA), and The Hague (The Netherlands), with regionally-focused events in Addis Ababa (Ethiopia), San Salvador (El Salvador) and Kathmandu (Nepal). Previous dialogues have focused on a variety of topics, including: the role of forest governance in achieving reduced emissions from deforestation; the status of forests in the global negotiations on climate change; the implications of the 15th session of the Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC COP 15) in December 2009 in Copenhagen and of the 16th session of the Conference of the Parties to the UNFCCC in November 2010 in Cancun (UNFCCC COP 16) for forest communities and Indigenous Peoples; and common approaches to dealing with the challenges of food security and climate change in forests and agriculture.

Future meetings are planned to take place in Yaoundé (Cameroon) and Bogotá (Colombia) in January and March 2013. For more information on all of these events, visit: <http://www.rightsandresources.org/>

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Andy White, RRI, opened the Dialogue and encouraged participants to use #FGCC12 in any tweets from the day-long event.

REPORT OF THE TWELFTH RRI DIALOGUE

Andy White, Coordinator, RRI welcomed participants to the Twelfth RRI Dialogue on Monday morning, 5 November 2012. Taking the examples of an indigenous community in the southwest US that was affected by forests burning and floods that destroyed streams and watersheds, and of Hurricane Sandy, which impacted thousands of people, he said institutions are not prepared to deal with climate change impacts. He stressed the need to rethink institutions to prevent and respond to these impacts, noting that this is a universal problem and challenge, and highlighted the need to scale up strategies to deal with these issues.

Arvind Khare, Executive Director, RRI, gave an overview

of the key issues to be discussed during the day. Mentioning the collapse of the carbon market, the price of commodities and the slow progress within the UN Framework Convention on Climate Change (UNFCCC) process, he said we can continue acting according to business as usual or look for drivers of deforestation and use proven methods, innovations and new ideas to deal with the



Arvind Khare, Executive Director, RRI

challenges we face. He noted that governments are bankrupt in both developed and developing countries, and highlighted the need to define how investments will be made, under which conditions, and to work differently with the private sector. He said there are some proven and promising approaches, including policy options chosen by governments and trade-related options to address conditions on the ground. He added that new ideas, approaches, strategies and institutional innovations must better match the size of the problems. Participants then proceeded to participate in four expert panels, which are summarized below.

SESSION 1: EXPANDING ADOPTION OF SUSTAINABLE SUPPLY CHAINS IN THE FORESTRY AND AGRIBUSINESS SECTORS

Daniel Zarin, Director of Programs, Climate and Land-Use Alliance (CLUA), introduced this session, and noted the need for change that is consistent with internationally recognized social safeguards as well as for sustained leadership from all sectors.

Thomas Langan, External Affairs Director, North America, Unilever, noted that his company is interested in sustainable supply chains because climate change is creating instability in the developing countries where markets are growing the fastest, and not only to ensure security of Unilever's supply. He highlighted efforts to drive market change outside of Unilever's market chains, and encouraged participants to contribute to the goal setting processes of relevant multistakeholder groups.

Scott Poynton, Executive Director, Tropical Forest Trust, said the search for a solution should focus on the profit motivations all the way down the supply chain, and highlighted opportunities related to market share, protecting brand reputation, and applying pressure down the supply chain. He said civil society can help change the framework for everyone in the global supply chain.

Steven Gretzinger, Global Forestry Specialist, International Finance Corporation (IFC), noted IFC's efforts to improve the weak points in the supply chain, including through focusing on internal governance such as by working with small businesses and self-help groups to help them function better. He noted the need to understand the micro-reality first, building the capacity of local organizations and making sure assistance is targeted to what the companies need.

Alfred Lahai Brownell, Executive Director, Green Advocates, Liberia, stressed the need to: ensure that investments are not abusing the rights of communities, respect the environment and are sustainable; balance the skills for companies, governments and communities; and use a multistakeholder approach in order to determine what is fair for everyone.

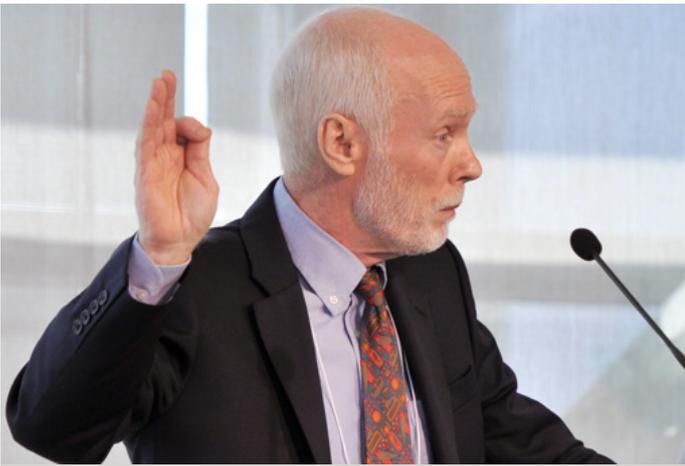
Greg Fishbein, Managing Director of the Forest and Climate Program, The Nature Conservancy, highlighted the importance of: strong demand incentives

including regulation of timber; strong regulatory frameworks; technical assistance to producers; finance by private organizations and others that provide incentives for sustainable production; and full community involvement to move production sectors towards sustainability. He said there are great examples of success such as the soil moratorium in the Amazon and called for focusing on: involving large geographic areas; success stories to guide action, and investing in partnerships while paying attention to how these partnerships are being constructed.

In the ensuing discussion, participants highlighted the need to: assess what is working and not working in the supply chain, and identify how to influence it; ensure the use of standards that address the social and environmental issues; educate countries on the social and environmental impacts of the supply chain; respect the UN Declaration on the Rights of Indigenous Peoples and work with Indigenous Peoples from the outset of a project; inquire who is conducting the monitoring and not rely on self-reporting from companies; and explore the role of guidelines developed by international financial institutions in spurring adherence to desired practices. Panelists highlighted the role of: providing an advisory services structure, when necessary, to build capacity;



Alfred Lahai Brownell, Executive Director, Green Advocates, Liberia



John Hudson, Former Senior Forestry Advisor, UK Department for International Development

leadership from the private sector to implement their values; and civil society efforts to increase the risk that companies face if they do not comply with the guidelines they publicly support.

SESSION 2: LESSONS LEARNED FROM THE EXTRACTIVE AND INFRASTRUCTURE SECTORS IN PROMOTING FOREST CONSERVATION, TENURE AND GOVERNANCE REFORMS, AND COMMUNITY BENEFITS

John Hudson, former senior forestry advisor, UK Department for International Development, chaired this session and noted the need to learn about best practices and how to accentuate the positive impacts related to the extractive and infrastructure sectors.

Emily Greenspan, Senior Policy Advisor, Oxfam America, identified activities her organization has been involved with, including: filing a shareholder resolution with an oil company; publishing Free Prior Informed Consent (FPIC) policies; promoting increased transparency; and organizing independent monitoring panels.

Richard Smith, Executive Director, Instituto del Bien Común, Peru, highlighted that the extractive industry exists to meet a demand in the international market for raw materials. He said there is a weakness in the monitoring and enforcement of existing agreements and in the willingness to



Richard Smith, Executive Director, Instituto del Bien Común, Peru

protect local communities vis-à-vis the extractive industry, due to shortcomings in budgets and political will as well as to corruption.

Samuel Nguiffo, Secretary General, Center for Environment and Development, Cameroon noted that while Africa is making progress in terms of economic growth, this growth is grounded on the exploitation of natural resources and is not distributed equally. He called for clearer and stronger rules for donors, governments and the private sector in order to consider human rights. He also called for models based on lessons learned to avoid repeating past experiences implementing projects that do not respect social and environmental concerns.

Chris Anderson, Americas Director, Communities & Social Performance, Rio Tinto Limited, noted that in developing countries, economic development is often done at the expense of environmental protection because countries do not see another way to make economic progress. He said Rio Tinto has two important policies in terms of social and environmental protection: a goal of a net positive impact on biodiversity and a public expression of FPIC. He noted that, as consumers, we all use the products under discussion, and stressed the need for everyone to be part of the solution as we are all complicit in the problem.

Patty Miller, Manager of Environmental, Social and Governance Department, IFC, recalled that IFC has developed a set of performance standards on environmental and social sustainability and said those standards have leveraged change, as they have been adopted by various agencies. She noted that private companies can have a considerable influence on governments, and that partnerships between NGOs and extractive industries are increasing as those industries have the revenues to help development.



Patty Miller, International Finance Corporation

The discussion that followed these presentations stressed: the importance of a compliance mechanism as, *inter alia*, a way to identify issues that are the most problematic; the need to go along with local communities to support projects including mining projects; and the need to recognize power differences between local communities, extractive industries and national governments. One participant asked whether, as concession deals are becoming more transparent, there is any mapping across sectors. The need to “monitor the monitor” and to reach agreements with Indigenous Peoples early in the process, before concessions are awarded to companies, was stressed. The importance of community protocols, the free-flow of information, and identification of investors’ risks were also highlighted.



Benoît Bosquet, World Bank, chaired session 3.

SESSION 3: INNOVATIVE APPROACHES TO LEVERAGE FINANCE AND INVESTMENT FOR TENURE AND GOVERNANCE REFORMS IN FOREST AREAS

Benoît Bosquet, Coordinator of the Forest Carbon Partnership Facility, World Bank, chaired this session, and noted that tenure has become a more important theme in the REDD+ debate because governments, donors and the private sector are now willing to embrace this theme.

Lou Munden, Chair, The Munden Project, presented the session's keynote on "The Financial and Climate Risks of Insecure Tenure: An Investor Perspective." He evaluated local tenure insecurity rights from the view of investors and creditors and highlighted ways in which there is coherence between local tenure security, investor incentives and existing risk analysis mechanisms. He said the challenge is to define a methodology and data to incorporate tenure into these concepts, and doing so could provide a new tool to encourage actions to secure local tenure rights.

Two speakers then presented new approaches to advance greater effort to secure local community and Indigenous Peoples' rights. Nils Hermann Ranum, Head of Policy and Campaign Division, Rainforest Foundation Norway, referred to a paper titled "REDD+ Incentives: Rewarding performance



Lou Munden, The Munden Project

beyond carbon." On REDD+ implementation so far, he mentioned, *inter alia*, the scarcity of resources in the short, medium and long term; conditionality concerns over safeguards; and the lack of priority given to land tenure reform. He called for aligning performance with no-regret actions, specifying that REDD+ results-based payments should build on actions that work, and highlighted the need for a REDD+ results framework that is simple, cost-effective and directly linked to actions needed to halt forest loss.

Jeffrey Hatcher, Director of Global Programs, RRI, presented key elements of the International Forest Tenure Facility, an initiative RRI is pursuing that will, *inter alia*, provide funding for tenure reform projects proposed by governments, civil society and Indigenous Peoples in developing countries, and provide an opportunity for private sector actors to contribute support for the recognition of tenure rights of forest communities and households. He presented the 10 principles of the Facility design process, some of which include: leverage substantial private investment; ensure co-governance by rights holders (Indigenous Peoples, communities, private sector actors and governments); use the highest standards, guidelines and accountability mechanisms; and leverage know-how, technical experience and political support as much as finance. He said the scoping, design and consultation phases for the facility are ongoing with initial support from two bilateral donors.

Don Roberts, Vice Chair and Managing Director, CIBC World Markets Inc., stressed the need to: leverage private capital considering scarce governmental financial resources; get the "right" operational and technical expertise; and consider requests of investors on transparency, longevity and certainty when leveraging money.

Arjun Bhalla, Operations Officer, IFC, called for, *inter alia*: forging partnerships between companies, farmers and communities; looking at regional and local levels to see what is happening on the ground; providing capacity building on land tenure rights; and linking farmers with micro-finance institutions.



The dais during session 4.

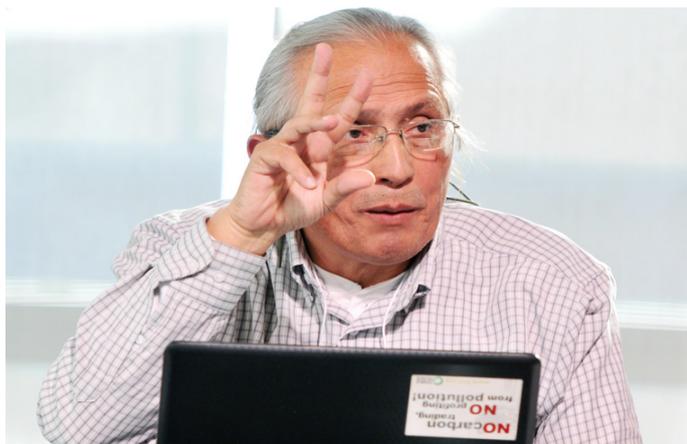
Roberto Espinoza Llanos, Coordinator of the Climate Change Program and Indigenous REDD+, Asociación Interétnica de Desarrollo de la Selva Peruana (AIDSESP), Peru, highlighted the importance of consulting Indigenous Peoples. He stressed that governments have financial means to support initiatives and the private sector is important but should take its proper place in the facility.

Comments during the discussion period included: support for the facility during; a suggestion to establish a facility to bring together information related to tenure; reminders that sustainable forest management should be the objective and that private and public finance have different strengths and weaknesses; and a note that the needs of women should be incorporated into any related action.

SESSION 4: SUMMARY ANALYSIS OF DAY'S DISCUSSIONS AND NEXT STEPS – SCALING-UP STRATEGIES TO REDUCE EMISSIONS AND ADVANCE DEVELOPMENT IN FOREST AREAS

During the fourth session, expert panelists were invited to share their views on the discussions held throughout the day and to offer ideas on how to scale-up strategies to reduce emissions and advance development. Andreas Dahl-Jørgensen, Adviser, International Climate and Forest Initiative, Norway, remarked that, while REDD represents a key mechanism that addresses the subject of the meeting on reducing emissions and advancing development in forest areas, this mechanism has not been referred to extensively during the day. He stressed the need for a mechanism for verifying emissions reduction and mentioned that the success of REDD relies on various factors, including the collaboration of the private sector and the need for country-level demand on reducing emissions.

Myrna Safitri, Executive Director, Epistema Institute, Indonesia, said, *inter alia*: some issues need to be addressed at sub-national levels including allocating land; tenure reform is often a complicated process in developing countries; there is a lack of transparency, a risk of corruption and a lack of consultation in the land allocation process; and land tenure licenses for national countries should be reviewed.



Roberto Espinoza, AIDSESP, Peru

Gina Cosentino, Director of Indigenous and Communal Conservation, The Nature Conservancy: highlighted the need for institutions to move from voluntary to enforceable standards; mentioned the relevance of the Guiding Principles on Business and Human Rights (Ruggie Principles) to address corporate responsibility in relation with human rights; and called for improving governance and acknowledging the cultural pillar of development where each individual, including Indigenous Peoples, participate on an equal footing.

Hugh Speechly, Senior Advisor on Forest Governance and Markets, UK Department for International Development, raised questions, including how lessons learned through Forest Law Enforcement, Governance and Trade (FLEGT) on illegal logging could be useful for other sectors and how to incorporate tenure risks in a range of sectors. He highlighted the need for more indicators of governance to measure the impact of initiatives on governance issues and noted the importance of defining poverty in broader terms and measuring impacts on the ground.

During the discussion that followed these presentations, participants highlighted that buyers can influence suppliers and consequently influence the supply chain, and that the role of women should be emphasized. A panelist questioned whether the sole reliance should be on private sector actions, and asked what happens if market-based solutions do not work or if one point along the supply chain does not request standards to be met. A participant noted the need to manage expectations of REDD and to remember that there is “no one silver bullet,” while we face an urgency to take action. He also said that: addressing and resolving rights issues is an underlying need; we should not “put all of our eggs in one basket” but should adopt a “powerful portfolio;” and that the private sector, governments and civil society play complementary roles. Other participants noted that: the FLEGT process sets up a national level discussion of how a country will use its land; some contracts are in violation of international and national law, implying a need to improve accountability of companies and countries to the laws they have adopted; REDD is an outcome as well as a mechanism; and that we need to recognize the sense of urgency and “take big steps now.”

CLOSING REMARKS

In closing, Andy White noted that the RRI Dialogue has been organized to accelerate learning and sharing among different sectors. He pointed out that all participants were not familiar with supply chains, extractive sectors and finance mechanisms, and said he hoped everyone had learned something new during the dialogue. He noted Martin Luther King Jr.’s statement that, if you are comfortable within your group, your group is too small, and encouraged participants to look beyond their like-minded group and to expand. He thanked The Nature Conservancy for collaborating with RRI to organize the Twelfth RRI Dialogue, thanked the sponsors and individuals who organized the event, and closed the meeting at 5:06 pm.