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World Bank's forest climate fund slammed for sidelining indigenous peoples' rights and failing to protect forests

DALAT, Vietnam (23 March 2011) – A new report launched today at the 8th meeting of the World Bank's Forest Carbon Partnership Facility (FCPF) reveals that the Bank is not fulfilling its promises to protect the rights of forest peoples. *Smoke and Mirrors: a critical assessment of the Forest Carbon Partnership Facility* by Forest Peoples Programme (FPP) and FERN exposes the World Bank's failure to uphold its commitments on human rights and its engagement in never-ending changes to its social and environmental policies, weakening its accountability to affected communities and the public. Co-author of the report, Francesco Martone, FPP policy advisor, said:

The FCPF is backsliding on its social commitments, using a smokescreen of constantly changing standards and guidance notes that pay lip service to forest peoples' rights, governance and benefit-sharing without clear binding rules that would hold the Bank and recipient governments accountable. The whole question of which standards apply to the FCPF has just become more complicated as the Fund now plans to use different international agencies to implement its projects...

The FCPF is administered by the World Bank. It is one of the main international climate initiatives set up to fund developing country schemes for Reducing Emissions from Deforestation and forest Degradation (REDD). The report finds serious faults in government proposals seeking FCPF funding for planning and preparation activities in support of REDD schemes. It finds that while proposals for monitoring and measuring forest carbon are well-advanced, plans for activities that could actually reduce deforestation, such as clarifying and securing land rights and dealing with corruption and weak governance in the forest sector, are poor. Kate Dooley, FERN's policy advisor, said:

In none of the eight REDD preparation plans developed by the governments of Panama, Guyana, Peru, Ghana, Democratic Republic of Congo, Republic of Congo, Nepal and Indonesia are land rights adequately addressed or existing land conflicts acknowledged. Proposals for governance reform are often limited to setting up new institutions to oversee forest carbon trading, at the expense of legal reform, including land tenure.

Many of the governments applying for funds have laws and national policies which are contrary to their international obligations to respect the rights of indigenous peoples and forest-dependent communities. *Smoke and Mirrors* shows that these shortcomings are ignored in REDD "readiness" proposals and, more worryingly, indigenous peoples and local communities are often unjustly blamed for deforestation. Onel Masardule of the Foundation for the Promotion of Indigenous Knowledge in Panama said:

The FCPF must uphold indigenous peoples' rights in line with its commitments. FCPF decisions on financing for national proposals for REDD must respect the demands of indigenous peoples without whom forest and climate schemes will not work. Full respect

for our right to free, prior and informed consent is essential, yet this fundamental safeguard is missing in FCPF policies and World Bank safeguards...

In Peru the government plans for REDD have attracted heavy criticism from indigenous peoples' organisations for failing to address land conflicts and outstanding territorial claims. Daysi Zapata, Vice President of AIDSESEP in Peru said:

The FCPF says that all its activities will ensure that countries meet their obligations to respect the rights of indigenous peoples, yet state plans in Peru are not respecting our collective rights, including our rights to territories and free prior and informed consent. We have not travelled for two days to reach Vietnam for nothing: we have come here to obtain firm guarantees that our rights will be respected and that the FCPF lives up to its promises....

The authors of the report are further concerned that the FCPF intends to move ahead with plans to make agreements to pay governments from its Carbon Fund before countries have completed the preparatory work that is required to ensure that future actions to curb forest emissions are fully sustainable.

The report concludes that the FCPF Carbon Fund and finance for emission reduction agreements must not move ahead until readiness actions are completed and the social and environmental safeguards are strong enough to uphold human rights and protect the environment.

The full report is available at:

www.fern.org/smokeandmirrors

www.forestpeoples.org/smokeandmirrors

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Note to editors:

FERN is a non-governmental organisation (NGO) created to keep track of the European Union's involvement in forests and coordinate NGO activities at the European level. Our work centres on forests and forest peoples' rights and the issues that affect them such as trade and investment and climate change. All of our work is done in close collaboration with social and environmental organisations and movements across the world. The name FERN was chosen because ferns are one of the few species that grow in all forests.

Forest Peoples Programme is a non-governmental human rights organisation that works in South and SE Asia, Central Africa and South and Central America and internationally to support the rights of peoples who live in forests and depend on them for their livelihoods. Our work aims to counter top-down forest, conservation and development policies and make international finance institutions accountable to affected peoples and communities.