



GOVERNORS' CLIMATE AND FORESTS TASK FORCE

ACEH MEETING SUMMARY

Overview

On May 18-20, 2010, 12 of the 14 Governors' Climate and Forests (GCF) Task Force member states and provinces (Acre, Amapá, Mato Grosso, Pará and Amazonas from Brazil; Aceh, East Kalimantan, Papua, and West Kalimantan from Indonesia; California and Wisconsin from the U.S.; and Cross River State from Nigeria) and 5 observer states (Central Kalimantan, South Kalimantan, and West Papua from Indonesia; Sabah State from Malaysia; and Sinoe County from Liberia) convened in Banda Aceh, Indonesia for the 3rd meeting of the GCF. The meeting, led by GCF Task Force Chair (Amazonas), consisted of two days of meetings of the state and province representatives and a third day devoted to a joint GCF Task Force-Stakeholder meeting to receive important input from civil society on key issues related to the reduction of emissions from deforestation and forest degradation in the GCF Task Force states and provinces.

The GCF Task Force meeting closely tracked the three-day Meeting Agenda, which is available in English, Portuguese, and Bahasa Indonesian at <http://www.gcftaskforce.org/documents/>. The first two days of the meeting focused on state and province REDD activities with an in-depth look at the status of California's cap-and-trade regulations and the California Air Resources Board's consideration of international forest offsets for inclusion in the regulatory program (see http://gcftaskforce.org/documents/May_Aceh/Day_1_2/California%20Presentation%20%28May%2019%202010%29.pdf), federal REDD developments, and international REDD efforts (largely focused on the results of and developments since UNFCCC COP-15 in Copenhagen, Denmark and Copenhagen Accord REDD+ provisions), followed by an in depth discussion of the activities and focus areas of the three GCF Task Force working groups and decisions for moving forward in the second half of 2010.

While the GCF will still pursue the larger objectives of its Working Groups over the course of the year, the GCF Task Force members agreed that the primary focus of the GCF Task Force Working Groups and members in the short-term (from now until the 4th GCF Task Force meeting in Santarém, Pará (tentatively set for September 13-17, 2010)) will be on 4 Work Tasks and related outputs discussed in more detail below. They are:

Task 1: To develop GCF design recommendations for subnational (state- and province-level) REDD frameworks for review and approval at the GCF Task Force September 2010 meeting and circulation at the 16th Conference of the Parties to the UNFCCC (COP-16); engage with third party standards (e.g. CAR, VCS, CCB+CARE, IPCC Good Practice Guidelines, and Plan Vivo);

Task 2: To identify, track, and attract financing opportunities for GCF state and province REDD activities and develop a concept note on the establishment of a GCF Fund;

Task 3: To create a GCF knowledge database that will include the current REDD activities (programs, policies, and projects) of the member states and provinces and institutional, technical, financial, legal, and other needs; and

Task 4: To develop and implement a GCF communications and outreach strategy and enhance/formalize stakeholder involvement in the GCF process.

A key result of the Day 3 GCF Task Force-Stakeholder meeting is that the enhanced and more formalized involvement of stakeholders, including local forest-dependent communities, indigenous peoples, NGOs, national governments, international organizations, and private companies will be a common thread pursued by the leads and members of each of the four Task Groups noted above and the GCF Task Force generally.

Concurrently with the main GCF Task Force meetings of the delegates on Days 1 and 2, our Aceh partners organized a full schedule of side events for stakeholders. The side events, which were sponsored by the Partnership for Governance Reform in Indonesia (Kemitraan), the Center for International Forestry Research (CIFOR), Fauna & Flora International (FFI), ExxonMobil, LaFarge Cement, and Bank BPD Aceh, focused on four themes: (1) Public Policy & Investment in Climate Change Issues; (2) Rights & Access of Local Communities; (3) REDD Project Development; and (4) REDD Project Monitoring. The presentations and associated documents for these side events are available at <http://www.gcftaskforce.org/documents.html>.

Primary Outcomes

1. GCF & Working Group Progress

In 2009, the GCF established three Working Groups led by state and province representatives to guide its work and deliverables around three key areas: (1) the assessment and development of REDD project-level standards and criteria; (2) the development of REDD coordinating mechanisms and accounting frameworks; and (3) the assessment of the needs of the GCF states and provinces to enable them to develop effective REDD activities (programs, policies, and projects). At the Aceh meeting, the Working Group leads and consultants shared progress achieved in early 2010, led discussions around key issues under the purview of each working group, and helped establish four working group priorities (“Tasks”) to guide GCF Task Force activities between the Aceh and Santarém meetings (discussed in section 2 *infra*).

In addition, the GCF Task Force members discussed a proposed framework for GCF strategies and activities moving forward that is larger than these four immediate Tasks and focuses on three general areas for progress (communications & stakeholder involvement, REDD activities development, and financing), which will be a topic of discussion in Santarém (see Working

Group 3 Presentation at Slide 10 of 12, available at <http://www.gcftaskforce.org/documents.html>).

a. Working Group 1

In 2010, Working Group 1 (standards and criteria) is focused on gaining clarity on general criteria for project-level activities and on developing support for multiple pathways for nested projects to meet emerging compliance standards. The Working Group 1 presentation delivered in Aceh by Tim Kidman of the Climate Action Reserve and Chair Natalie Unterstell (Amazonas) is available at [http://www.gcftaskforce.org/documents/May_Aceh/Day_1_2/Working%20Group%201%20Presentation%20\(May%2018%202010\).pdf](http://www.gcftaskforce.org/documents/May_Aceh/Day_1_2/Working%20Group%201%20Presentation%20(May%2018%202010).pdf) and provides a good overview of Working Group 1's objectives and 2010 workplan as well as its effort to move from a "pure project" to a "nested project" perspective that takes into account jurisdiction-wide accounting and reconciliation.

The responses to the Working Group 1 presentation focused on several issues, including a concern that standards and criteria supported by the GCF remain flexible and not overly restrictive while still providing necessary guidance for generating "compliance-grade" REDD activities and the need to reassess the 2010 objectives of Working Group 1 in light of the lack of clear signals from compliance markets. Similarly, several Task Force members raised the question of whether the GCF would create and adopt its own standards and criteria or build off of existing protocols (e.g. VCS + CCBA), particularly as they await specific direction from compliance markets. There was a consensus that the GCF should build off of existing voluntary protocols and not "reinvent the wheel." However, there was no clear decision regarding whether and how to conduct pilot evaluations to "road test" REDD activities against existing or modified standards and criteria/protocols. Other ideas discussed included improving how information about current REDD activities within the GCF states and provinces (more specifically the use of voluntary standards and criteria at the project level) is shared with the GCF states, provinces, and stakeholders. For example, if readily available, information about how the GCF states and provinces are involving forest-dependent communities and other key stakeholders in REDD activity design and implementation could inform other state and province efforts to develop robust and comprehensive social safeguards. The GCF Task Force's proposal for moving forward in the near-term to address some of these issues and achieve this Working Group's objectives is described in Section 2 below (through Tasks 1 and 3).

b. Working Group 2

In 2010, Working Group 2 (coordination and accounting) is focused on state/province REDD program development; stakeholder and governance issues; connecting projects with state/province-level performance (nesting); and developing model linkage agreements between compliance systems and state/province REDD programs. The Working Group 2 presentation delivered in Aceh by GCF Advisor William Boyd is available at <http://www.gcftaskforce.org/documents/Working%20Group%202%20Presentation%20%28May%2019%202010%29.pdf> and describes the progress made by Working Group 2 in early 2010, *GCF Task Force Aceh Meeting Summary*

including its completion of an Options Paper for use at a Sacramento Technical Workshop on REDD in February 2010 and consideration by Working Group 2 and the GCF. The Options Paper is available at <http://www.gcftaskforce.org/documents/Workshop%20Options%20Paper%20-%20REDD%20Reg%20Design.pdf>. Working Group 2 has also begun work on developing an architecture for nesting and reconciliation of project-level activities with state- and province-level performance with the assistance of Terra Global Capital and expects to issue a draft report by mid-June. Due to the fact that, according to the decision by the GCF members at the Aceh meeting, the work of Working Groups 1, 2 and 3 shall be suspended until the September meeting (proposed September 13-17, 2010), the development of this architecture shall be integrated with the work performed under Task 1.

The Working Group 2 discussions in Aceh focused on developing draft recommendations for state- and province-level REDD frameworks (noting and informing ongoing state and province efforts to do so), the need to work with existing forest carbon protocols on nesting projects with state- and eventually national-level accounting, and exploring models for multi-stakeholder processes and high-quality environmental and social safeguards. The GCF Task Force's proposal for moving forward in the near-term to achieve this Working Group's objectives is described in Section 2 below.

c. Working Group 3

In 2010, Working group 3 (needs assessment) is focused on assessing the institutional, technical, financial, legal, and other needs of the GCF states/provinces for generating "compliance-grade" REDD activities and developing a strategy for accessing interim public finance for REDD activities. Prior to the Aceh meeting, Working Group 3 advisor John O. Niles (Tropical Forest Group) circulated a report for the GCF on public financing opportunities for REDD activities in the GCF states and provinces, which is available in English, Portuguese, and Bahasa Indonesian at <http://gcftaskforce.org/documents.html> (under the heading "Additional GCF Related Documents Circulated at or before Meeting"). This report provided the basis for his presentation and the financing discussion in Aceh. Working Group 3 Lead Luis Meneses (Acre) presented the working group's progress to date. He also presented a proposed roadmap for Working Group 3 and the GCF generally for 2010-2011. This presentation is available at <http://www.gcftaskforce.org/documents/Working%20Group%203%20Presentation%20%28May%2019%202010%29.pdf>.

The Working Group 3 discussions in Aceh focused on interim public financing opportunities for REDD activities in the GCF states and provinces and overall GCF state and province technical and institutional capacity gaps (e.g. forest monitoring, development of registries, clarification of land tenure/forest governance issues) that could be funded. The GCF states and provinces are at the forefront of developing model REDD programs and would be good recipients of this early funding as their efforts can serve as models for other states and provinces. Securing support for the state and province activities is critical to continuing the momentum underway to develop and implement comprehensive REDD programs. Such support would also benefit national governments by enabling working models within their countries that can link with

national programs as they develop. The GCF Task Force's proposal for moving forward in the near-term to achieve this Working Group's objectives is described in Section 2 below (particularly Task 2).

2. 4 Priority Short-Term Tasks Developed for Moving Working Group and GCF Task Force Efforts Forward

As a result of the Working Group discussions described above and the desire to more fully and effectively engage specific individuals from the GCF states and provinces, the GCF Task Force members agreed to focus efforts from now until the September 2010 meeting on the implementation of four short-term Tasks for moving the Working Group objectives forward and sought volunteers for each task (noted below). The role and specific activities of the Working Groups will be revisited in Santarém (proposed for September 13-17, 2010). Until that time, the GCF will focus its efforts on the completion of the Tasks described in more detail below.

a. Task 1 (Subnational REDD Frameworks)

Objective: To develop GCF design recommendations for subnational (state- and province-level) REDD frameworks for review and approval at the GCF Task Force September 2010 meeting and circulation at the 16th Conference of the Parties to the UNFCCC (COP-16); to engage with third party standards (e.g. CAR, VCS, CCB+CARE, IPCC Good Practice Guidelines, and Plan Vivo).

Members:

1. Barbara Bamberger (California)
2. Ernesto Roessing (GCF Coordinator for Brazil)
3. Fadmi Ridwan (Aceh)
4. Luis Meneses (Acre)
5. Marinah Embiricos (GCF Coordinator for Indonesia)
6. Rodolfo Pereira (Para)
7. Toby Garritt (Papua)
8. Tony Brunello (California)
9. William Boyd (Secretariat)

Leader: Interim Lead GCF Secretariat; Lead TBD by Task 1 members by **June 11, 2010**.

Deliverables:

- Draft Report for review and comment by September 2010 meeting; final report for presentation at COP-16 in Cancun. Issues for consideration include: (1) REDD crediting option; (2) State-level accounting; (3) Monitoring, Reporting, and Verification; (4) Nesting project level activities with state level performance; (5) Safeguards – FPIC; Protection of rights and interests; benefit sharing; and (6) Models for multi-stakeholder governance.
- Report on engagement with third party standards (e.g. CAR, VCS, CCB+CARE, IPCC Good Practice Guidelines, and Plan Vivo).

- *Note:* if additional funding would be necessary or useful to achieving listed or additional deliverables, this should be identified by the group up front and in the Action Plan and deliverables produced.

Action Plan/Timeline: the following is a proposed timeline to be reviewed by the Task members:

- a. Report on subnational REDD frameworks.
 - i. July 5: Discussion Draft developed by Lead circulated to Task 1 group for review and comment
 - ii. July 19: Task 1 team member comments due to Lead
 - iii. July 30: Lead circulates revised draft to Task 1 members, GCF representatives, and stakeholders TBD for review and comment
 - iv. September 3: comments on revised draft due to Lead
 - v. September 13-17 (proposed) meeting in Santarem: Draft Report presented to GCF and stakeholders
 - vi. October-November 2010: Lead revises report in light of feedback received, further developments, etc.
 - vii. December 2010: Final Report presented at COP-16 in Cancun.
- b. Engagement of third party standards and Report on progress. Action plan and timeline TBD by Lead with input from members by **June 23, 2010**. Fadmi Ridwan (Aceh) has offered to take the lead on this effort. John O. Niles (Tropical Forest Group) has offered his assistance.

Communication method: First email communication sent by GCF Secretariat on June 2, 2010; follow-up method and frequency TBD by Task members.

Stakeholder involvement: TBD in coordination with Task 4 members with assistance offered by Jorge Figueroa (GCF Secretariat) and Luis Meneses (Acre). One idea proposed in Aceh was to initiate a private sector sub-group on nesting and reconciliation of project-level activities with state/province performance. This can be considered by the Task 1 Lead and members.

b. Task 2 (Financing for REDD Activities)

Objective: To identify, track, and attract financing opportunities for GCF state and province REDD activities and develop concept note on the establishment of a GCF Fund.

Members:

1. Agus Rumunsara (Papua)
2. Claudio Flores (Para)
3. John O. Niles (Tropical Forest Group)
4. Luis Meneses (Acre)
5. Natalie Unterstell (Amazonas)
6. Odigha Odigha (Cross River State)

Leader: Interim Lead John O. Niles; Lead TBD by Task 2 members by **June 11, 2010**.

Deliverables: to be identified by leader with input from group by **June 23, 2010**. Preliminary suggestion by John O. Niles for Task 2 deliverables are:

- Revised report on donor possibilities for funding GCF member state and province REDD actions (including results of any in-person meetings arranged between GCF members and donor countries or other entities);
- Concept note on the idea of establishing a GCF Fund; and
- Specific introductions to donors (including submission of proposals where relevant).
- *Note:* if additional funding would be necessary or useful to achieving listed or additional deliverables, this should be identified by the group up front and in the Action Plan and deliverables produced.

Action Plan/Timeline: to be developed by leader with input from group by **June 23, 2010**.

Communication method: John O. Niles has sent the first Task 2 email to the group and offered to set up a conference call following receipt of initial responses from the group members to his email.

Stakeholder involvement: TBD in coordination with Task 4 members with assistance offered by Jorge Figueroa (GCF Secretariat) and Luis Meneses (Acre).

c. **Task 3 (GCF Knowledge Database)**

Objective: To create a GCF knowledge database that will include the current REDD activities (programs, policies, and projects) of the member states and provinces and institutional, technical, financial, legal, and other needs.

Members:

1. Ilarius Wibisono (Aceh)
2. John O. Niles (Tropical Forest Group)
3. Luís Meneses (Acre)
4. Maurício Philipp (Mato Grosso)
5. Natalie Unterstell (Amazonas)
6. Noak Kapisa (Papua)

Leader: Interim Lead Luis Meneses; Lead TBD by Task 3 members by **June 11, 2010**.

Deliverables: to be identified by leader with input from group by **June 23, 2010**. On June 8, 2010, Luis Meneses circulated a proposal for the objectives, design and content of the database for review by the Task 3 members. *Note:* if additional funding would be necessary or useful to achieving listed or additional deliverables, this should be identified by the group up front and in the Action Plan and deliverables produced.

Action Plan/Timeline: to be developed by leader with input from group by **June 23, 2010**.

Communication method: First email organized by Luis Meneses (Acre); follow-up method TBD on call.

Stakeholder involvement: TBD in coordination with Task 4 members with assistance offered by Jorge Figueroa (GCF Secretariat) and Luis Meneses (Acre).

d. Task 4 (Communications & Outreach)

Objective: To develop and implement a GCF communications and outreach strategy and enhance/formalize stakeholder involvement in the GCF process.

Members:

1. Tony Brunello (California)
2. Bernhard Smid (Amazonas)
3. Elaine Corsini (Mato Grosso)
4. Dan Schooff (Wisconsin)
5. Indonesian Secretariat (Ilarius Wibisono and Yakob Ishadamy unless otherwise indicated)
6. Rodolfo Pereira (Pará)
7. Monica Julissa de los Rios (Acre)

Leader: Interim Lead Tony Brunello; Lead TBD by Task 4 members by **June 11, 2010**

Deliverables: Statement, news release re Paris-Oslo REDD+ Partnership process, and others to be identified by leader with input from group by **June 23, 2010**. *Note:* If additional funding would be necessary or useful to achieving deliverables, this should be identified by the group up front and in the Action Plan and deliverables produced.

Action Plan/Timeline: to be developed by leader with input from group by **June 23, 2010**.

Communication method: First email and call to be organized by Tony Brunello; follow-up method TBD.

Stakeholder involvement: TBD by Task 4 members with assistance offered by Jorge Figueroa (GCF Secretariat) and Luis Meneses (Acre).

3. Input to California ARB Rulemaking Process

As noted above, Barb Bamberger (California Air Resources Board (ARB)) delivered a presentation and led a discussion on California's cap-and-trade program rulemaking process and the state's current thinking on how international offsets from the forest sector might be incorporated into California's program and forthcoming Draft Regulations. The full

presentation is available at http://gcftaskforce.org/documents/May_Aceh/Day_1_2/California%20Presentation%20%28May%2019%202010%29.pdf and addresses current thinking on: (1) international forest carbon phase-in of RED; (2) linkage agreements with external programs; (3) sector-based crediting; and (4) nested activities. In addition, prior to the meeting, a very helpful ARB summary of the Preliminary Draft Regulation was circulated to the GCF Task Force. This summary is available in English, Portuguese, and Bahasa Indonesian at <http://gcftaskforce.org/documents.html> (under the heading “Additional GCF Related Documents Circulated at or before Meeting”).

The discussion following ARB’s presentation focused on several issues that the GCF member states and provinces expressed interest in continuing to engage with California on in the coming weeks. They included:

Importance of California as a Global Signal. Members acknowledged that while the Californian market might be small (under current thinking, total offset credits allowed would amount to up to 4% of the compliance obligation, which ARB estimates to represent from 8 MMT/year (2012-2014) up to 16 MMT/year (2015+) and even higher (16 to 32 MMT/year in 2012) if all Western Climate Initiative members participate), the signal to subnational, national, and international processes and actors would be extremely important.

Business-as-Usual (BAU) Baseline. Questions were raised regarding how California would establish state- and province-level reference scenarios or BAU baselines, whether its approach would address high stock/low historic deforestation scenarios, and whether it is considering the “stock/flow” approach.

Crediting Baseline. Discussion of the crediting baseline focused largely on the amount of emissions reductions California would require from the state or province (through state contributions that could be assisted by voluntary markets and public financing) before the state or province would be eligible for offset credits. A few members expressed concern that achieving a crediting baseline set at a 50% reduction over the reference baseline would take a very long time and more resources than the state has available. Others asked whether there might be access to the California market before a 50% reduction has been achieved if coupled with some kind of guarantees from the state or province. There were also questions about the ultimate target that California might set, specifically what was meant by “net zero” deforestation and whether, for example, that means no deforestation at all.

Similarly, there was concern about how to continue to attract and maintain private sector financing of projects while state- and province-level sectoral programs were under development and whether there would be any room for “early action” project offset credits before sectoral programs were up and running and the state- or province-level crediting baseline met.

Safeguards. Members supported the strong safeguards that California is planning to adopt regarding social and environmental interests. In addition, there was a suggestion that

California also ensure adequate “commercial safeguards” to help manage risks such as forest fires.

Scope. There was some discussion of general eligibility requirements for the California system, for example whether there would be any inclusion of agriculture and farming measures, whether offsets could be issued for reductions in existing protected areas, and how California would define additionality.

State-level Accounting. Members were interested in what California will require with respect to state- and national-level coordination and reconciliation and how the state would address a situation where a project delivered but the state or province failed to meet its forest sector emissions reductions commitment.

Timing of Regulations. Members noted that they have projects and are undertaking activities that they would like to format in compliance with California’s regulations, so they are eager to see the forthcoming Draft Regulations.

Role of the GCF. The discussion wrapped up with exploration of how the GCF might provide input to or otherwise assist in the California process. A desire for the GCF Secretariat or someone from a GCF state or province to coordinate comments on the draft regulations was expressed. There was an open question of whether comments would be a coordinated GCF position or individual state and province comments, perhaps grouped or integrated by country.

Since the Aceh meeting, ARB has announced several meetings that are of interest and relevance to these issues, which the GCF members states and provinces are encouraged to follow and participate in if possible, notably:

Public Workshop on Cost Containment and Offsets in the California Greenhouse Gas Cap-and-Trade Program

DATE: June 22, 2010

TIME: 8:30 am - 5:00 pm Pacific Time

LOCATION: Coastal Hearing Room, Second Floor, Cal/EPA Headquarters Building, 1001 “I” Street, Sacramento, CA 95814

WEBCAST: <http://www.calepa.ca.gov/Broadcast>

International Offsets and REDD

DATE: July 8, 2010

TIME: TBD

LOCATION: TBD

WEBCAST: <http://www.calepa.ca.gov/Broadcast>

More information can be found on the California Air Resources Board’s Cap-and-Trade website at:

<http://www.arb.ca.gov/cc/capandtrade/capandtrade.htm>

Meeting will be webcast:

<http://www.calepa.ca.gov/Broadcast>

To join the cap-and-trade listserv please go to:

http://www.arb.ca.gov/listserv/listserv_ind.php?listname=capandtrade

4. Stakeholder Involvement

Day 3 of the GCF Task Force meeting provided the Task Force delegates and stakeholders with an opportunity to exchange information about REDD activities, goals, concerns, and priorities moving forward. After introductory remarks by Indonesian Minister of Environment Gusti Muhammad Hatta, the meeting began with a short introduction of the outcomes of Days 1 and 2 of the GCF Task Force meeting followed by two panel discussions, one on Pilot Projects in a Nested Framework and the second on Governance and Communities, which included a summary of the outcomes of Days 1 and 2 of the stakeholder side events. Presentations from Day 3 are available at <http://gcftaskforce.org/documents.html> under the header “Day 3 GCF-Stakeholder Meeting Presentations.”

Following the panels, the GCF Task Force engaged in an open discussion with participating stakeholders regarding the GCF’s efforts and objectives generally and Tasks 1-4 discussed *supra*. Key messages and suggestions from the stakeholders, which the GCF Task Force is committed to pursuing and has already started to pursue through the Task 4 Lead and Members noted above and with the volunteered assistance of Luis Meneses (Acre) and part-time GCF Research Assistant Jorge Figueroa at the GCF Secretariat in Colorado (jorge.figueroa@colorado.edu), include:

- (1) Enhancing stakeholder input and participation (including local forest-dependent communities, indigenous peoples, NGOs, national governments, international organizations, private companies, and others) in the GCF process and its Working Groups/Task Groups (both by the GCF as a whole and by its member states and provinces at home) and formalizing that process with the input of stakeholders;
- (2) Initiating a process to develop lessons and recommendations from ongoing multi-stakeholder processes; and
- (3) Developing models for multi-stakeholder processes that can be adapted to different jurisdictions, with an emphasis on engaging local organizations, forest-dependent communities, and indigenous peoples.

Related input at the meeting centered on the following key issues:

Strengthening the GCF Task Force-Stakeholder Relationship and Process. Stakeholder comments highlighted that the GCF member states and provinces and their stakeholder constituents represent very diverse geographic areas that encompass more than 1/3 of the world's remaining tropical forests. Consequently, the GCF state and province stakeholders include entities and individuals with both overlapping and very distinct interests, resources, needs and circumstances. Civil society stakeholders (including private sector, NGO, and indigenous peoples representatives) expressed an interest and commitment to strengthening the GCF's stakeholder involvement process and suggested that in improving stakeholder involvement, the GCF Task Force should strive to recognize and be responsive to these stakeholder similarities and differences.

One important stakeholder suggestion for moving forward on this issue is for the GCF Task Force member states and provinces to provide up to date, translated (whenever possible), and clear information to their constituencies through effective channels. In addition, the GCF Task Force should actively seek input from stakeholders on its deliverables and formalize how it will do so.

Social Safeguards and Free, Prior, and Informed Consent (FPIC). Several stakeholders emphasized the importance of social safeguards that recognize and respect indigenous, traditional, and community rights and require free, prior, and informed consent (FPIC). In highlighting this issue, participants had several suggestions, including to:

- Close the wide knowledge and communication gap between policy makers, project developers, and rights-holders.
- Convey REDD and climate-related information in a way that resonates with forest-dependent communities.
- Provide REDD activity information well in advance so that the community has an opportunity to make a decision about whether or not to participate at all.
- Recognize it takes time to build the trust of community members and other local stakeholders.
- Involve rights-holders in all stages of REDD projects and policymaking at the national and sub-national levels (including participatory spatial planning).
- Determine how to provide independent legal and technical advice to rights-holders.
- Recognize the role and importance of local community governance structures (e.g. the mukim in Aceh Province, Indonesia) and ensure that those that protect the forests receive the benefits of their efforts.
- Develop a GCF statement or position on safeguards (both social and environmental).

Environmental Safeguards. In addition to social safeguards, stakeholders expressed a desire for the GCF to support strong environmental safeguards. One suggestion was for the GCF to adopt the current UNFCCC REDD language on this issue and ensure there is no conversion of natural forests for REDD as well as to support a definition of "forest" that clearly distinguishes forests from monoculture tree plantations. Another participant called for a clear statement from the GCF supporting projects with safeguards that protect biodiversity. The GCF Task Force does not

yet have a GCF-specific policy statement on safeguards, but is reviewing and assessing approaches to safeguards in existing and developing standards and protocols.

The Role of Projects in Subnational Frameworks. Several participants voiced concerns about how to ensure that private sector interest and investment in REDD is maintained within subnational frameworks (“nesting” approaches) and while these frameworks are under development.

Corruption. Several participants noted the serious problem of corruption in many states and provinces (and national governments) and posed the question of how corruption would be monitored and addressed and how governance structures that are not self-serving would be strengthened.

GHG Reductions are the Responsibility of Developed Countries. Some stakeholders opposed the use of offsets altogether, emphasizing that cuts in greenhouse gas reductions must come from developed countries.

The Role and Objectives of the GCF Task Force. The meeting wrapped up with a discussion of the role and significance of the GCF. Several participants noted that the importance of the GCF has become more apparent after COP-15 and generally supported the list of 4 Tasks as worth pursuing. There was concern about keeping any GCF Database developed under Task 3 updated as things change so rapidly. In addition, clarity was sought on the value of the GCF Report in Task 1 (subnational REDD frameworks). Responses included (1) that the state and province-level is the right focus as most forests at risk are managed at the state and district level; and (2) that the GCF’s subnational focus provides a great platform for information-sharing and learning among states and can influence federal governments.

The Road to Santarém

The GCF Task Force announced that the 4th Task Force Meeting will take place in Santarém, Pará (likely the week of September 13-17). Prior to that meeting, the GCF Task Force will pursue the next steps described above and discussed at the meeting, including:

- (1) Implementing Tasks 1-4 with input from stakeholders;
- (2) Coordinating or otherwise facilitating GCF Task Force input on California’s cap-and-trade rulemaking effort;
- (3) Enhancing and formalizing the process for stakeholder input and participation in the GCF Task Force activities;

(4) Improving communication and more clearly delineating the responsibilities of the GCF members, Secretariat, Chairs, Working Group/Task Leads, and Consultants, as well as facilitating the transition of Chair from Amazonas to Pará.

(5) Continuing the discussion of whether and how to accept observer states as full members of the GCF Task Force (for resolution at the Santarém meeting) and starting the discussion of the future direction and objectives (2011 and beyond) of the GCF more generally.

(6) Developing the Agenda for Santarém with input from the GCF Task Force members and stakeholders regarding any suggestions for a revised format.

(7) Continuing with GCF side event preparations for COP-16 in Cancun, Mexico, including an off-site event (which the GCF has limited funding to support) and possibly an official side event, the application deadline for which is July 20th. For an official side event, the GCF would need to consider pairing with an official UNFCCC observer, many of which are involved in the GCF process as stakeholders (e.g. IDESAM, EDF, FFI, TNC, CI, CAR, AMAZON, IPAM).

All relevant updates will be posted at www.gcftaskforce.org.