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Programa de Inversión Forestal (FIP) y Banco Interamericano de Desarrollo

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With our consideration,

AIDSESP is the representative organisation of indigenous peoples of the Peruvian Amazon grouped into 1500 communities and 67 local organisations. As property owners or administrators (eg of communal reserves) of more than 13 million hectares we are the principal social actor in the forestry sector in Peru. On this basis we have been submitting regular proposals into the REDD+ process in Peru and in particular to the FIP. However, we are sorry to report that these proposals have been minimised or excluded in order to favour certain interest groups and large companies. The result is that it will lead to an increase in emissions from deforestation and degradation rather than a reduction.

We have reviewed in detail the 'modified' FIP proposal prepared by 'undercover' consultants on the Directive Committee (DC) for FIP-Peru. We imagine that this was done with the backing of the FIP, Inter American Development Bank, the Climate Investment Fund and the World Bank. No reason or justification has been provided for the modification of the proposal produced by the consultants hired from INDUFOR. Even more seriously it contains fundamental flaws in its

approach, coherence and preference for certain interest groups in contravention of the FIP's own principles.

Its principal flaws are to assume that the colonization that deforests and degrades the forests will be checked by promoting the increase in productivity of these same colonists; its insistence on a failed model of large concessions (a cover for illegal logging), its promotion of plantations (in particular that of oil palm) in 'false' degraded forests and increasing 'desk based or paper reforms' such as plans, studies, strategies and tools while at the same time failing to invest in effective 'transformational change'. Furthermore it marginalises indigenous peoples, who are the principal actor in forests at a national level, in terms of their territorial titling and community forest management.

These flaws can be seen in the near final version of the investment plan (21/1/2013) in paragraphs 53, 54, 56, 67, 73, 120, 125 amongst others and repeated in the powerpoint summary prepared by MINAM for the 15/2/2013 in slides 8,14,27,43,47,51,52.

These biases can be clearly seen in the nature of the 21 proposed projects in this latest version (21/1/2013)

- 9 will increase state bureaucracy and their consultant friends and add to more 'paper' reforms (projects 1.1.1, 1.1.2, 1.2.1, 1.2.2, 3.2.1, 3.2.2, 4.1.1, 4.1.2, 4.2.1).
- A further ten that enable colonists to increase colonization (2.1.1, 2.1.2, 2.2.1, 2.2.2, 2.2.3, 3.1.2, 4.2.2, 4.2.3)
- 1 of them will increase the number of flawed concessions.
- Several projects will overlay areas possessed by indigenous peoples (3.1.2).
- Only 2 projects will address structural issues where the 'transformational changes' will occur:
 - 1 project is for land titling, (3.1.1) but significantly reduced from what is needed by communities and therefore favour concession owners once again
 - 1 for community forest management (3.1.3) in which NGOs and companies will also be considered. In other words, the little that does address indigenous peoples must be shared with those who always privileged.

It is no coincidence that in this text the word 'plan' appears 129 times, the word concession appears 68 times and plantations 19 times because it responds precisely to the business interests of some NGOs and the technocracy in its service. To save face it mentions indigenous peoples 32 times but not in relation to the strategic issues or to budgets, Once more they try to use us for rhetorical purposes. These interest groups behind the 'modified' FIP plan are the same as those who manipulated the Forestry Law 29763 and even now stoop to lying by saying that AIDSESP is in agreement with this law by using a text from 2009 (while the law was approved in 2011) and which we have reiterated on numerous occasions has serious deficiencies that require modification in various of its articles including: *Guarantees for indigenous territories, rights of possession and communal Reserves (articles 26, 27, 66, 76, 11 and 12 in final section). Effective state support for community forest management and not only rhetoric*

(art 21), effective guarantees for the lives of autonomous peoples (Art 48). Measures to prevent the covert privatization of forests and ecosystem services (art 51 and 54). Measures to prevent the advance towards large scale forest estates estates (art 56,58,59). Measures to prevent deforestation (art 27 d2, 36,36). Measures to reduce and regulate rather than promote forestry plantations (Art,4, 5, 11, 111 to 118, 131c).

The contribution of indigenous peoples (despite being evident in the UNFCCC) is marginalized in Peru. In this text it is repeated that we are 'unproductive and incapable' and that the 'alternative' is the large concessions and (companies and some NGOs) and a specialist technocracy. This is nothing new and had its most serious expression in the nefarious 'dog in a manger' discourse of Ex President Alan Garcia who stated that it was a serious error to have given so much land to these impoverished indigenous peoples and 'second class citizens' (in suspiciously similar fashion to the 'modified' FIP plan) and instead offer these apparently unproductive or degraded areas for palm oil and high value cash crops. This technocratic and institutional state racism seems to still have its followers who have not learnt from the same terrible conflict produced in 2008 and 2009 in the Peruvian Amazon and are applying the same approach of discrimination and forest privatization.

We cannot nor must we wait until the 'deed is done'. In other words the final FIP plan should not be finalised until it is improved. The excuses that these are just drafts are unacceptable. What starts badly, tends to end badly or worse. We reject fully the text that is circulating because it is unacceptable that \$50 million is wasted (half in the form of external debt) just so that colonisation, deforestation and degradation can increase and indigenous territories are invaded and indigenous rights violated. Moreover, it will cheat the FIP donors and the UNFCCC with a REDD+ programme in Peru that will increase rather than reduce the global and national climate crisis whose principal victims are the indigenous peoples of Peru and the world.

We also denounce serious procedural failings of this process. How is it that the IADB hires, supposedly, in transparent fashion the INDUFOR team (for \$250,000) to elaborate the FIP investment plan in which consensus is reached with indigenous peoples to: Allocate a quarter of the FIP-Peru programme to three projects of 'transformational change' (not only on paper) which are: Indigenous peoples' territorial recognition (\$7 million), promotion of community forest management (\$3.5 million) and community forest governance (\$2.5 million) and the respect of our own alternative plan; "Indigenous Amazonian REDD+'. These agreements derive from prior agreements with MINAM on the RPP-Peru approved by the FCPF in 2011 and the actual resolution of PC8 itself where the priority of territorial recognition is acknowledged. It is also supported by the FIP regulations including the Results log frame that requires measurements of 'percentage of indigenous peoples with legally recognised rights over land' (A2), 'Increase in the lands and resources under legal control and management of indigenous peoples' (B2), 'Area of forest with clear territory rights that are non discriminatory and that include the recognition of traditional rights' (B3). Equally, these are supported by the terms of reference for the design

of the FIP Peru Investment strategy (1.2, 1.4). “ Institutional capacity, forest governance’ (CFM teams in indigenous organisations); ‘Forest monitoring systems’ (Community forest monitoring), ‘ Support for regulatory reform’ (such as RJ 232-2006 and CFM laws). Item 1.8 ” Investment criteria and financing modalities’ such as ‘climate change mitigation potential (12 million has for IPs), “Demonstration effect’ (piloting of Indigenous REDD), “implementation potential’ (based on the structure of indigenous organisations) “ Co benefits of sustainable development’ (impacts on biodiversity, poverty and rights) and ‘compliance with the environmental and social safeguards of the FIP and the Multilateral Development Banks involved’ (such as land tenure. Rights and Free, prior and informed consent, FPIC).

Despite this, the state has responded by destroying this consensus, to abandon the products and results of the formal consultation and to decide that other ‘undercover’ consultants (selected without competition or transparency) should redo this plan with their own biases and interests abandoning what had been expressed in the consultation with AIDSESP and debated in 3 public workshops. Have two payments been made for the same product in addition to misleading indigenous peoples and civil society participants as well as a lack of transparency? These are potential failings that are extremely serious and must be clarified. Those responsible within the Peruvian government, FIP, World Bank and IADB must be sanctioned either for their actions or failure to act.

These agreements with indigenous peoples have now been withdrawn without any explanation of how this was done or why the change in content. We have not lost only our time but above all the trust in a transparent process and worse still has provoked unnecessary tensions and conflict. Was it too much to ask that 25% of the FIP would support 1500 communities and that 75% should support state technocracy, colonists and a few hundred large concession owners? Is it not enough for these concessions that they are always the beneficiaries of the most part of international aid for forests, climate and REDD+? This is particularly the case with that provided by the United States government which in its own country is incapable of sanctioning the exporters of illegal timber from Peru as has been shown recently. Is it not enough for these few companies (and their links with a few consultants and NGOs) that the State should provide hundreds of personnel and millions of dollars for them but has few personnel nor time nor resources to attend to the thousands of indigenous communities? Is it this discriminatory and racist forestry policy of the state that is the principal reason for the degradation and illegal logging in communities who are abandoned to these pressures and impunities?

The internal norms of the FIP have been violated that refer not only to the form in which the Investment plan has been elaborated but its content that should be ‘in accordance with relevant international instruments, obligations and national laws’ (Investment criteria FIP para 31). Not only has it failed to comply with the principle that ‘the full and effective participation of indigenous peoples is indispensable in the elaboration of the investment plan’ but also ‘a consensus reflecting broad community support for the investment strategy, programme or

project must derive from the consultations before the strategy, programme or project advances' (FIP Design document Para 16d and 38).

All this has been highlighted, presented and justified by AIDSESP in each of the supervisory missions of the FIP. They have responded to us with promises that have not been kept while evading discussions of the underlying issues: Territory and indigenous forest management and governance.

In addition, the procedures of the IADB, World Bank, MINAM and the FIP missions have been characterized by various irregularities ranging from late ToR for the missions, rejection of the participation of AIDSESP in the Directive committee for FIP-Peru to big differences between the English and Spanish versions of the actual mission.

The time is running out and we reject the blackmail that is circulating that 'anything must be approved so we don't lose these millions'. It is better not to implement a bad project than produce more harm than solutions and better still to rectify it in good time. In the following days we will annex a detailed report of the proposal that is circulating of the modified FIP investment plan. For now, we request and announce the following:

1. We request that an act be signed during this upcoming mission ratifying the consensus reached in the previous plan and that the 3 agreed projects with the consultants hired by the IADB referring to recognition of indigenous territories (\$7million). Community forest management (\$3million) and community forest governance (\$2.5 million).
2. We request that during the upcoming mission (18-2- February) we are provided with a detailed response by FIP, IADB, the world Bank, ICF, PNUD and the DC-FIP to explain the errors, incoherence, biases and anti indigenous prejudices that we denounce in the modified FIP investment plan.
3. According to the responses (either explicit or not) of the responsible entities we will take a decision to present a formal complaint before the grievance mechanisms of the World Bank and IADB for violations of their own internal procedures as well as the international commitments of the Peruvian State with regard to our rights as indigenous peoples.
4. We demand the diffusion of the final INDUFOR report for the sake of transparency of the IADB, World Bank, FIP, IFC and PNUD in the REDD+ process and as was offered by MINAM during the second FIP mission a few months ago.
5. We request that a proposal for an investment plan is developed using that produced by INDUFOR and that part which may be recoverable from the 'undercover' consultants. In this process, technical teams from AIDSESP and the civil society REDD group in Peru in order to reach agreements through direct dialogue.
6. We announce our right to an international campaign so that this bad practice may be rectified, to end the 'rhetoric of indigenous participation' and to respect and recognize our fundamental rights. It will include our total opposition to the approval of a FIP-Peru Program that is badly

designed to be held either during the FIP sub committee meeting in May 2013 or beforehand.

AIDSESEP is constructive and positive but we have the duty to question and overcome the burden of state power and bureaucracy, commercialism, and elitism that will never make possible a 'full life' of harmony between nature, society and Amazonian culture if our own alternative; 'Indigenous Amazonian REDD' is not respected.

We thank you for your attention and wait to hear your response.

In a few days the document 'Detailed analysis of the 'Modified' Peru FIP Plan and its inconsistencies' will be submitted.

Atentamente;



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Alberto Pizango Chota
Presidente de AIDSESEP