

CENTRAL AMERICA & MEXICO CIVIL SOCIETY WORKSHOP: ENSURING THAT CLIMATE FINANCE BENEFITS LOCAL COMMUNITIES

SUMMARY REPORT



PANAMÁ (CIUDAD) 3-4 OCTUBRE 2017

TALLER PARA LA SOCIEDAD CIVIL CENTRO AMERICANA Y MEXICANA: **FINANCIAMIENTO CLIMÁTICO EN BENEFICIO DE LAS COMUNIDADES LOCALES**



Panamá, October 3 & 4 2017

Hotel Ojos del Río, Calle 41, Bella Vista, 0601 Panamá City (Panamá)

Note: this document is a summary of the workshop presentations. It does not necessarily represent the opinion, strategy and position of all participating organizations.

First session – Political Context

OVERVIEW OF DEVELOPMENT FINANCE TRENDS, *Carla García Zendejas & Kelsey Alford Jones, Center for International Environmental Law (CIEL)*

Carla began her presentation by explaining how are financed Development Finance Institutions (DFI), both by national and international public contributions and by bonds or loan interests. She also indicated that DFI are owned and governed by Member States. In more traditional DFIs, such as the World Bank, the more a State contributes, the greater is its voting power.

Kelsey followed by demonstrating that there are different barriers to access the information provided by the DFI since it is sometimes dense, technical and in a language inappropriate for the community. Therefore, the review of environmental and social impacts is limited, and the impacts on human rights are very sparsely analyzed. This is why there are a large number of civil society organizations that are dedicated to monitoring banks and community management.

OVERVIEW OF INTERNATIONAL CLIMATE POLICY: THE PARIS AGREEMENT AND THE CLIMATE FINANCE FRAMEWORK, *Mariana Castillo, Grupo de Financiamiento Climático para América Latina y el Caribe (GLAC)*

After a presentation of the GLAC, Mariana presented the Paris Agreement as well as the Sustainable Development Goals that were adopted in 2015.

The transparency framework of the Paris Agreement states that developed countries should communicate information on the financial support projected qualitatively and quantitatively every two years. They should also provide transparent and consistent information on support provided and mobilized through public interventions every two years.

The presentation continued talking about climate finance and its goals, explaining what the Green Climate Fund is and how it works.

LESSONS LEARNED FROM THE CLEAN DEVELOPMENT MECHANISM (CDM), *Pierre-Jean Brasier, Carbon Market Watch*

Pierre-Jean began his presentation by presenting the Clean Development Mechanism and clarifying that the CDM does not reduce emissions. He went on describing the main problems associated with the CDM, such as the lack of additionality, the lack of contribution to sustainable development and the negative social impacts. He stressed that since 2012 the CDM is no longer used due to problems of credibility in Europe and low demand due to the economic crisis of 2008.

He concluded by pointing out some lessons learned from the CDM that should be used for climate finance: exclude projects that have negative impacts, develop and establish clear and detailed guidelines for consultations of local parties, establish independent complaints mechanisms.

Second session: Experiences on the impact of climate finance for sustainable and climate resilient development in Central America and Mexico

PANEL: EXPERIENCES WITH THE CDM

PANORAMA OF THE PANAMANIAN EXPERIENCE WITH THE CDM, *Oscar Sogandares, ASAMCHI*

Oscar began his presentation by presenting his involvement since 2009 on Barro Blanco, investigating the reasons why the project should not receive carbon credits.

He pointed out that since then he has been alert to any announcement of requests for CERs and concluded by noting that although these credits were withdrawn becoming a historic milestone in the CDM, he would have liked this disastrous project to have never become such a tragedy.

PRESENTATION: THE INJUSTICES OF THE CDM, A CASE STUDY, *Weni Bagama – Movimiento 10 de abril*

Weni began her presentation by presenting the Barro Blanco hydroelectric project that is flooding approximately 10 hectares of indigenous territories, directly affecting indigenous communities. It affects the Tabasara River, used for the subsistence fishing of indigenous and non-indigenous people, but also as a place of recreation, a place of veneration for petroglyphs and an important water source.

Weni mentioned that the social protests have included clashes with the National Police, causing injuries and fatalities because the project was imposed on the population and the free, prior and informed consent was not respected. This explains why the communities have requested the definitive cancellation of the draft. She concluded by emphatically pointing out that the State, in general terms, has violated human rights and the fundamental freedoms of the population, placing them in a situation of greater vulnerability in the face of power.

PANORAMA OF THE GUATEMALAN EXPERIENCE WITH THE CDM, *Eduardo Cruz López– Colectivo MadreSelva*

Eduardo began his presentation by declaring that the majority of licenses and concessions for the exploitation of natural resources are based on measures taken to favor the interests of the business sector.

He then continued by pointing out that most widespread violation of projects is the breach of the Consultation and the free, prior and informed consent to carry out extractive projects in the territories of the indigenous peoples.

He concluded by saying that the Guatemalan State has taken repressive measures against the affected communities and their leaders such as criminalization as a recurring pattern, illegal detentions, defamation, prosecution, violence, assault, sexual abuse and murder.

PANEL: EXPERIENCES WITH REDD+

PRESENTATION OF REDD + AND EXPERIENCE IN MEXICO, *Anaid Velasco – Centro Mexicano de Derecho Ambiental (CEMDA)*

Anaid began by defining and explaining REDD + as an international and voluntary mechanism that emerged under the framework of the UNFCCC as an option to mitigate climate change in the forestry sector.

She concluded by stating that it is necessary to create ad hoc institutional frameworks and implement fair and transparent benefit distribution schemes so that the benefits can be distributed among the actors.

CASE STUDY: LAND TENURE IN BOCAS DEL TORO, *Feliciano Santos: Coalición Ngobe para la Seguridad Alimentaria (CONSA)*

Feliciano began his presentation by pointing out that for many years the Ngobe have fought for their land. Despite the creation of a Comarca, complaints continued on the lack of protection of the indigenous lands of Bocas del Toro, impacted by tourism and hydroelectric projects. In 2015, CONSA achieved the declaration of a moratorium on land titling in many communities and private interests have responded with campaigns of discredit and pressure in the media.

He concluded by indicating if the forest acquires monetary value there is a danger of forceful removal, to profit from the resources. Feliciano advised to first resolve the issue of land tenure before continuing to promote REDD+.

REDD+ EN LOS TERRITORIOS COLECTIVOS DEL PACÍFICO COLOMBIANO, *Milena Bernal, Asociación Ambiente y Sociedad*

Milena explained its organisation's REDD+ project for civil society and local communities, which's specific objectives are to strengthen the capacity of women to participate in community councils, contribute to the construction of the REDD + strategy from a gender perspective, develop actions that an indigenous rights based approach in the REDD + strategy and empower women in the national REDD + strategy.

CHANGING THE GAME OF CLIMATE INCENTIVES, *Tamara Kellog, Citizens Climate Lobby*

Tamara explained that the Carbon Fee and Dividend plan is a policy proposal created by its organisation to internalize the costs of burning carbon-based fuels. It is the policy that climate scientists and economists alike say is the best first step in reducing the likelihood of catastrophic climate change from global warming.

THURSDAY 4 OF OCTOBER 2017

PRESENTATION OF THE AVAILABLE TOOLS TO GUIDE CLIMATE FINANCE TOWARDS PROJECTS THAT BENEFIT THE COMMUNITIES, *Mariana Castillo, GFLAC*

Mariana pointed out that the financial architecture is complex and constantly evolving. This makes coordination difficult and the priorities of international funds do not necessarily respond to national and local needs. She also explained what countries should do to manage international resources: elaborate national financing strategies.

Mariana concluded her presentation by indicating that resources tend to be concentrated in a few countries' hands and, at the national level, in large organizations. For local actors to have a more direct role in accessing and executing resources, it is necessary to focus more efforts on capacity building.

Third session: Looking ahead: necessary elements for climate finance to benefit to local communities

SUCCESSFUL EXPERIENCE OF CONSULTATION THROUGH FREE, PRIOR AND INFORMED CONSENT PROCESSES, *Anaid Velasco, CEMDA*

Anaid stressed that, in Mexico, the National Commission for the Development of Indigenous Peoples developed an instrument for the implementation of consultation processes within the framework of ILO Convention 169. This process recognizes three levels of participation.

On the other hand, the National REDD + Strategy, as it is a public policy document, is put to the opinion of the indigenous and Afro-descendant peoples and communities so that it is elaborated in agreement with the culture, forms of organization and interests of the communities. She finally explained that the consultation phases consist of Pre-consultation, Consultation and Conclusion.

PRESENTATION OF A MITIGATION PROJECT THAT CONTRIBUTED TO THE WELL-BEING OF THE COMMUNITIES, *Eduardo Cruz López, Colectivo Madreselva*

Eduardo expressed that community managed hydroelectric power plants can provide energy autonomy and that the Madreselva Collective is developing such projects, accompanying communities.

He pointed out that a community proposal against the extractivist hydroelectric model has two basic conditions: benefit and social property operated and administered by the communities; environmental sustainability.

OVERVIEW OF AVAILABLE SAFEGUARDS AND THEIR SUCCESSFUL USE, *Kelsey Alford-Jones y Carla García Zendejas, CIEL*

Kelsey explained that the main banks that provide finance in Mesoamerica seek to encourage investment and stimulate economic growth and usually fund projects benefiting to transnationals and not to the local population. She stressed that despite their environmental policies and safeguards, banks do not evaluate (or ignore) the true environmental, social and human rights impacts.

At first, financing institutions did not have safeguards or policies that protect the rights of the people who could be impacted by their projects. After decades of social pressure and following the disastrous impacts of several projects, the World Bank created its first policies.

Break out groups



Questions: Do you know some successful projects in the region? Why do you think they have been successful?

In your experience, what are the types of projects that benefit communities and those that do not benefit?

Answers:

- On a general level, community managed small-scale projects that arise from self-management, respond to their needs and serve to solve common problems. This is a guarantee of the permanence in time.
- Types of positive projects: solar panels, food sovereignty, organic agriculture, health, environment, education, farmers' cooperatives that have carried out productive projects linked to the activities of the territories.
- Non-beneficial projects: large infrastructures and extractive, monocultures destroying the soil and using agrochemicals.

Question: What are your recommendations to achieve an effective consultation?

Answers:

- Instead of talking about consultations we should only mention free, informed and prior consent. It must be accepted that people do not give their consent.
- Complete, clear, timely, effective information is needed, in an appropriate language, for a good decision making.
- Use of the means of communication in an effective manner for disclosure and with sufficient time.
- Each instance of the State, before giving concessions to companies, must consult the indigenous communities.
- When the consultation is carried, the community itself should be consulted and the ways of thinking, ways of living and culture should be respected, as well as the way of making decisions of the community and in their own language.
- The consultation must be done within the territory and not in a hotel in the capital.
- Communities must have access to all information about the projects.
- Within the consultation process, the budget must include a process of information, training and technical, economic and social support.
- The consultation must be made without pressure or conditions. There should be no corruption.
- There must be a permanent inclusion of the community in all phases of the consultation.

Question: What do you recommend to ensure that a project contributes to sustainable development, being understood that sustainable development has a social, economic and environmental dimension?

Answers:

- Involvement of all actors at all stages of the process from start to finish.

- Taking into account local and traditional knowledge.
- The Banks must recognize human rights as part of sustainable development.
- The definition of the concept of sustainable development arises from the dominant economic system. In many communities there is no agreement with projects that are oriented solely towards profit.
- Respect nature and cultural values.

Question: What should be the role of the State to ensure that projects benefit communities?

Answers:

- The State must ensure participatory planning and transparency of the information.
- Honesty, transparency, ethics, avoid impositions of projects for the benefit of a few, guarantee human rights, comply with the appropriate consultations.
- Make public policies for the benefit of peoples and locals. Respect international standards.

PANEL - National Bar Association

"Necessary elements for climate finance to benefit local populations and really contribute to the fight against climate change"



Elba Cortés - Ministry of the Environment

Elba declared that the issue of consultation and access to financing is key and acknowledged that there are limitations. She stressed the importance to learn and listen to the communities.

She recommended the following:

- Link with the Fund Secretariat so that efforts are not duplicated.
- Harmonize the requirements of the funds.
- Implement programmatic funds.

Pierre Jean Brasier – Carbon Market Watch

Pierre-Jean stated that the CDM has no future, demonstrating the failure in contributing to the sustainable development. He argued that criteria for such a contribution have not been elaborated and should be defined, in addition to criteria for monitoring and evaluation. He also encouraged the establishing of negative lists. He concluded that it is necessary to establish clear guidelines of consultation and most importantly, respect the right to decide of the communities.

Manuel Martínez - National Coordination of Indigenous Peoples

Mr. Martinez pointed out several important points:

- The recognition of rights to collective ownership of land, access to the forest to satisfy their traditional livelihoods.
- Implementation of coordinated measures with local institutions and state institutions, etc.
- There must be stipends (payments for environmental services, incentives for reforestation, execution of community reforestation plans, farm management plans, etc.)
- Capacity development (youth and women, satellite monitoring of forests and resource management)

Víctor Atencio: National Ombudsman's Office:

Victor indicated that the system favors interests and argued that there is inherent corruption in development projects. There is therefore a real challenge to involve civil society in emerging agendas and to generate mechanisms of dialogue. Granting a legal personality to natural resources can be a way forward.

MANIFESTO OF CENTRAL AMERICAN AND MEXICAN CIVIL SOCIETY

INCLUSIVENESS AND SUSTAINABILITY IN THE ACCESS TO CLIMATE FINANCE OF THE PEOPLES

Representatives of indigenous and Afro-descendant peoples, NGOs, rural and urban communities, academic organizations and interested citizens convened on October 3 and 4 of 2017 in Panama City as part of the celebration of the Workshop: "Climate finance in benefit to local communities", interested in the fact that available or on-going global climate finance directly includes local communities. Especially those engaged in the struggle to lower carbon levels, building climate resilient societies, designing all kinds of sustainable practices with equity and social justice.

We have analyzed specific cases of projects financed with international climate funds, or registered under the Clean Development Mechanism, which have generated serious environmental and social conflicts, even leading to the violation of human rights. Such conflicts have occurred largely due to legal and institutional barriers, lack of recognition of the human rights of the people, inadequate planning, failure to pay attention to the contributions and judgments of the communities and peoples; what is evident in deficient consultation processes until the wills of the affected communities are completely ignored and the free, prior and informed consent that prevents meeting the needs and incorporating local knowledge into the design of the projects.

Although the objective of climate finance is to promote a paradigm shift towards low emission and climate resilient development, we conclude that funds are often implemented in the spirit of extractivist capitalism, stripping communities of their territories and natural assets, as well as supporting the use of non-innovative or obsolete technologies, such as coal plants, hydroelectric projects, mining disguised as sustainable, megacultures and others.

From our point of view, these initiatives and actions do not constitute effective responses to fight against climate change, since they slow down the good progress towards the solutions we urgently need, accelerate the adverse effects of climate change, make populations less resilient, sharpen the levels of poverty, inequality and social conflict. We urge to find positive responses to the great challenge that is imposed on us.

With the signing and ratification of the Paris Agreement, our countries committed to moving towards low-carbon sustainable development and climate resilience. At the same time, the developed countries, in recognition of their common but differentiated responsibilities and the needs of the poorest countries, have committed to increasing their contributions for the financing of climate change mitigation and adaptation activities. These funds will be channeled through national, regional and international financial institutions, such as the Green Climate Fund, and through international mechanisms such as REDD+ or the Sustainable Development Mechanism, created by the Paris Agreement.

To ensure that, in the future, climate finance benefits the people, we conclude that the following elements are necessary:

- Accelerate the transition towards a new paradigm that leads to low emissions, resilient climate development, as well as production and consumption processes that emit less greenhouse gases.
- Ensure that climate actions are based on a human rights-based approach that ensures respect, protection, inclusiveness and environmental and social sustainability.
- Support the initiatives of indigenous and local communities.
- Develop and establish clear and detailed guidelines for binding, prior, free and informed consultation of indigenous and local communities on climate mechanisms. When the consultation is done, one must respect the ways of thinking, the ways of living and the culture, as well as the way of making decisions of the community and in their own language.

This will include general information to the communities who should be consulted (at least, the affected peoples and communities); to have the technical support that the peoples consider necessary to scientifically base their decisions; how the consultation is promoted (through the media, including the language and the appropriate means for the people contacted); when the consultation will take place (early and throughout the project cycle, ensuring a communication channel if the project causes damage after approval or registration); how the concerns expressed in the consultations are taken into account in the decision-making processes on the project. The rejection of the project by affected communities and indigenous peoples must be respected and the project canceled.

- To adapt the national norms to the legislations and international mechanisms related to the Free, Prior and Informed Consent (FPIC). It is the obligation of the States to respect their international commitments in social, environmental and human rights matters.
- Not to accredit entities with extractive or polluting activities (from the project and collaterally) because that would be against the principles of the Fund and of the communities as well as native peoples.
- Promote measures of retention or non-admissibility of projects considered incompatible with the policies and mechanisms described above, established and approved nationally and internationally. They should not be able to submit studies and evaluation of environmental, social and cultural impact. Inadmissibility criteria and indicators will be established with a multidisciplinary and international team from Central America and Mexico.
- Adopt clear and detailed guidelines for the evaluation and monitoring of sustainable development in order to ensure compliance with the relevant criteria or indicators throughout the project cycle, with citizen participation and inclusiveness.
- Make the criteria or indicators of sustainable development available to the public at the national and international levels.
- Provide funding so that the people and communities can get their own resources and technical resources necessary for active participation throughout the project cycle.

- Reject projects from companies and institutions that are, or have been previously, linked to acts of corruption and impunity nationally and internationally.
- Establish an international and independent monitoring, monitoring and evaluation mechanism so that the peoples and communities affected by the project can raise their dissatisfactions, doubts, complaints, etc., requesting independent evaluations and having their concerns addressed in a timely manner.

Adopted in the city of Panama on the fourth day of the month of October, two thousand and seventeen