

**DEDICATED GRANT MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL
COMMUNITIES (DGM) PROGRAM**

**PROGRAMMATIC ENVIRONMENTAL AND SOCIAL MANAGEMENT
FRAMEWORK (PESMF)**

October 27, 2014

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ABBREVIATIONS AND ACRONYMS

APL	Adaptable Program Loan
AU	Administrative Unit (for the Climate Investment Funds)
BCS	Broad Community Support
CBO	Community Based Organization
CDD	Community Driven Development
CIF	Climate Investment Funds
CSO	Civil Society Organization
DGM	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities under the Forest Investment Program
ESA	Environmental and Social Assessment
ESMP	Environmental and Social Management Plan
FAO	United Nations Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FIP SC	Sub-Committee (governing body) of the Forest Investment Program
FPIC	Free Prior and Informed Consent
GEA	Global Executing Agency of the DGM
GSC	Global Steering Committee of the DGM
IIED	International Institute for Environment and Development
IPs	Indigenous Peoples
IPLC	Indigenous Peoples and Local Communities
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Planning Framework
IUCN	World Conservation Union
LCs	Local Communities
MDB	Multi-lateral Development Bank
NEA	National Executing Agency
NGO	Non-governmental Organization
NSC	National Steering Committee of the DGM
OM	Operational Manual
ORAF	Operational Risk Assessment Framework
PES	Payment for Environmental Services
PF	Process Framework
PESMF	Programmatic Environmental and Social Management Framework
PCN	Project/Program Concept Note
PDO	Project Development Objective
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
PROFOR	Program on Forests (a multi-donor Trust Fund)
REDD+	Reducing Emissions from Deforestation and Forest Degradation
SCF	Strategic Climate Fund (one of the two Climate Investment Funds)
UNPFII	United Nations Permanent Forum on Indigenous Issues
UNREDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
WB	World Bank

1. INTRODUCTION

1. The Forest Investment Program (FIP) supports developing country efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so. It finances public and private sector investments that reduce emissions from deforestation and forest degradation, improve sustainable forest management and enhancement of carbon stocks, while providing benefits of biodiversity conservation, poverty reduction and improved livelihoods. The **Dedicated Grant Mechanism (DGM)** is a special global initiative under the FIP to provide grants to enhance the capacity and support specific initiatives of Indigenous Peoples and local communities (IPLCs) in FIP pilot countries in order to strengthen their participation in FIP and other REDD+ processes at the local, national and global levels. The DGM will be implemented in eight countries – Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru- where governments are implementing FIP investment projects with support from Multilateral Development Banks (MDBs).

2. Currently, the World Bank is the implementing MDB for the DGM in all the FIP Pilot countries and in this role serves to steer all aspects of administration and management for the DGM with specific global and country level DGM implementing organizations and agencies.

Purpose and Use of the Programmatic Environmental and Social Management Framework

3. This Programmatic Environmental and Social Management Framework is designed at the global DGM Program level to be used as the operating safeguards umbrella for each DGM country project to provide overarching principles and guidance in line with World Bank's safeguard policies. Each World Bank DGM country project will be guided by a Task Team that will be involved in the design and appraisal of that project. The Task Team may use this PESMF for the country DGM project or prepare a country specific ESMF, based on the need of the specific circumstances in the country. This PESMF is designed to allow for flexibility at the country level to determine how the safeguards will be applied and which safeguard instruments will be required to be developed.

4. The country level DGM project will be administered by a National Executing Agency (NEA). The NEA will be responsible during implementation to ensure compliance with all applicable Bank policies and safeguards. The Environmental and Social safeguards specialists in the Bank task team will coordinate with the respective NEA staff to ensure proper safeguard applications. Therefore, this PESMF lays out the safeguards requirements and procedures for the Bank Task Team, NEA and various stakeholders involved in the specific country DGM projects. The PESMF also includes checklists and other guidance to assist in the development of country specific guidance.

Program Description

5. The DGM will enhance the capacity and support specific initiatives of Indigenous Peoples and Local Communities in FIP Pilot countries in order to strengthen their participation in

FIP and other REDD+ processes at the local, national and global levels. To accomplish these objectives the DGM has *two parts*.

Part I - a series of DGM country projects;

Part II – Global Component for knowledge exchange and strengthening networks of Indigenous Peoples and local communities

6. **Part 1: Country Projects.** In each of the eight FIP pilot countries (Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru) a DGM Country project will have at least two main components: (i) providing grants to organizations of IPLCS for on-the-ground investments (sub-projects) of IPLCs' choice and within the overall framework of the DGM; and (ii) executing capacity building activities for IPLC organizations. Under the Country Projects, activities that fall under the following broad thematic areas may be financed through DGM grants:

- *Investments in sustainable management of forest landscapes, including wood, non-wood products; and,*
- *Promotion of rural livelihoods practices that enhance climate change mitigation and adaptation*

7. The choice of activities that may be financed under the two thematic areas above is left open to the communities, and it is expected that each country will prepare a more country-specific indicative list of activities to guide the selection process. The following is an indicative list of activities drawn mainly from the DGM Operational Guidelines that could be financed by the Country DGM projects.

- sustainable management and development of natural forests as well as restoration and regeneration of degraded or converted forests;
- climate-smart farming, agro-sylvo-pastoral systems, enhancing local agro-biodiversity;
- indigenous landscape management;
- wood energy plantations, sustainable charcoal/briquette production;
- enhancing of forest and agro-forest based product value chains;
- community land surveys, mapping and other tenure strengthening activities;
- measurement of GHG emission avoidance and forest carbon sequestration.

8. The second Component in each country project would finance training, capacity building, information sharing and representation in local, sub-national, national and global fora based on the need expressed by the stakeholders. Training could include specific technical skills to improve capacity to carry out a project financed by the DGM or training to develop core institutional capacity for self-organization and representation. While the activities may differ in each country, a sample list could include:

- Leadership, organizational and networking;
- writing grant funding proposals to access funds for development projects;

- technical skills for REDD+ e.g. carbon measurement and monitoring, mapping, etc.
- community mapping and training to strengthen customary land tenure;
- small and micro-enterprise management;
- financial management, accounting and book keeping;
- Language skills.

9. **Part 2: The Global Learning and Knowledge Exchange Project (“Global Component”).** The objective of this project is to organize and facilitate knowledge exchange, learning and capacity building on REDD+ and climate change issues at regional and global levels, and to strengthen the networks and alliances of IPLC organizations within and across regions with a view to enhancing their representation and voice in national, regional and global policy fora. This global platform will serve not only the FIP country participants, but IPLCs from other countries, as IPLC members from non-FIP countries have contributed to the design and development of the DGM. Subject to availability of resources and consistency with program specific criteria, the program is open to participants from countries that are currently¹: FIP pilot countries, PPCR and SREP pilot countries, FCPF REDD Readiness Participant countries, and UNREDD National Programmes countries which also meet the FIP country eligibility criteria².

10. The following is an illustrative list which may be modified and expanded as appropriate, by the Global Steering Committee:

- regional and sub-regional training workshops to learn from successful community REDD+ or other relevant experiences -- e.g. culturally appropriate REDD+ activities, benefit sharing, landscape approaches, land tenure and rights issues, climate-smart agriculture, etc.
- strengthening capacities of, and providing means for, regional IPLC organizations and networks to participate in REDD+ and climate change negotiations, including training on engaging in international negotiations and in relevant international policy dialogues and processes.
- strengthening regional/global partnerships of Indigenous Peoples and/or other forest dependent communities.
- support for participation of the alliances or networks of IPLCs in regional or global REDD+ and climate change forums, thematic conferences and meetings related to the role of IPLCs in the land, forest and livelihoods dialogue.
- learning, knowledge sharing, and information exchange across and between regions.
- development of culturally appropriate knowledge resources for use by IPLCs globally, in the form, for example, of case studies, examples of promising or “state-of-the-art” practices, focal points for sharing ideas around particular themes or challenges, and web-based knowledge networking tools.

¹ as of June 28, 2014.

² FIP Design Document (July 2009), page 7, section IV, paragraph 14. <www.climateinvestmentfunds.org>

11. **Grievance Redress Mechanism and Complaints Procedure**³. Indigenous Peoples and Local Communities and other interested stakeholders may raise a grievance related to a grant award decision, representation in the NSC or GSC, or the governance of the program. Following are the basics of the grievance and complaints handling process under the DGM. More details will be provided in the Country Operational Manual for each FIP pilot country. The DGM design ensures that a transparent, timely and fair process is adopted to address grievances by Indigenous peoples and local communities and other interested stakeholders which may be related to:

- a grant award decision,
- representation in the NSC or GSC, or
- implementation of a DGM financed sub-project.

There are two major aspects related to these procedures and they revolve around (i) communication and access to information and (ii) the complaints handling process.

12. **Communication and Access to Information.** The program in each country will ensure culturally appropriate, easy access to information on the program, grant-funded projects, status of project proposals under review, and contact points. This information will be provided on the GEA and NEA websites as well as other culturally appropriate means of communication. Documents and reports will be translated into Bahasa, French, Spanish and Portuguese as necessary. The NEAs and the GEA will maintain open lines of communication and actively reach out to the stakeholders. Information on DGM implementation will be shared with stakeholders through websites and through information-sharing meetings organized for this purpose. The NEAs and GEA will regularly review feedback received, respond to questions and comments on the websites, and report to the NSC and GSC on actions taken. This is an important part of their responsibility under the DGM.

13. **Complaints Handling Process.** The initial point of contact for all grievances will be with a dedicated staff member within the NEA. All NEAs and the GEA will assign a staff member to receive and acknowledge complaints and feedback. The name and contact information of the staff member will be on the website and printed brochures of the program. The designated staff member will acknowledge complaints within the number of business days mandated in the Operational Manual with a written response to the complainant, detailing the next steps it will take.

14. If the NEA cannot resolve the issue, the grievance should be elevated to the NSC. If the NSC cannot resolve the issue, it will elevate to the GSC. The time taken for the NSC to resolve complaints brought to its attention will be specified in the Country Operational Manual of the respective country. Because the GSC meets infrequently, a Grievance Sub-Committee of the GSC will be formed to handle escalated grievances upon request.

15. It is expected that the majority of grievances filed can and should be resolved on the spot by the dedicated staff member within the NEA. Further detail is available in a grievance handling manual that each NEA will be responsible for producing. Complaints can be submitted by phone, SMS, fax, email, regular mail, or in person. Anonymous complaints can be made by phone or

³ This section is an abbreviated version of the more detailed GRM process in section 6 of the Framework Operational Guidelines

through a letter. Where possible, complainants will be handed a receipt and a flyer that describes the DGM and the grievance redress mechanism procedures, which will be read to them at their request.

PROGRAM INSTITUTIONAL ROLES AND RESPONSABILITIES

16. The DGM Program administrative organization and structure revolves around two levels - the Global and the Country-based. This structure is defined in the *FIP Design Document*, and as mentioned previously will complement the FIP investment plans and programs in each country. At the Global level there is the FIP-Committee, Global Steering Committee (GSC), and Global Executing Agency (GEA). The National Steering Committee (NSC) and the National Executing Agency (NEA) will operate at the country level. These structures (see figure 1) are described in the section below.

17. The **FIP Sub-Committee** is the governing body for the FIP and makes policy and funding decisions on the FIP as well as the DGM. Fund utilization and delivery progress for the DGM will be ultimately reported to the FIP SC by the World Bank through the Climate Investment Fund Administrative Unit (CIF AU). The CIF AU provides secretariat functions to the FIP SC and, in that capacity, is responsible for communicating the decisions of the FIP SC and reporting back on implementation of those decisions.

18. The **Global Steering Committee** provides intellectual and policy leadership to the DGM monitors the overall implementation of the DGM and ensures that the DGM principles are followed during implementation. The GSC approves the annual work program to be implemented by the Global Executing Agency. The GSC will report to the FIP SC on DGM progress and verify conformance to all operational principles. The GSC also maintains interactions with contributor countries and other partners and plays an advocacy role for IPLC in various international forums on Climate Change and REDD+. Information on the DGM including country experience and opportunities for further funding are other roles for the GSC. The GSC will mediate complaint and grievance issues if requested by National Steering Committees (NSC).

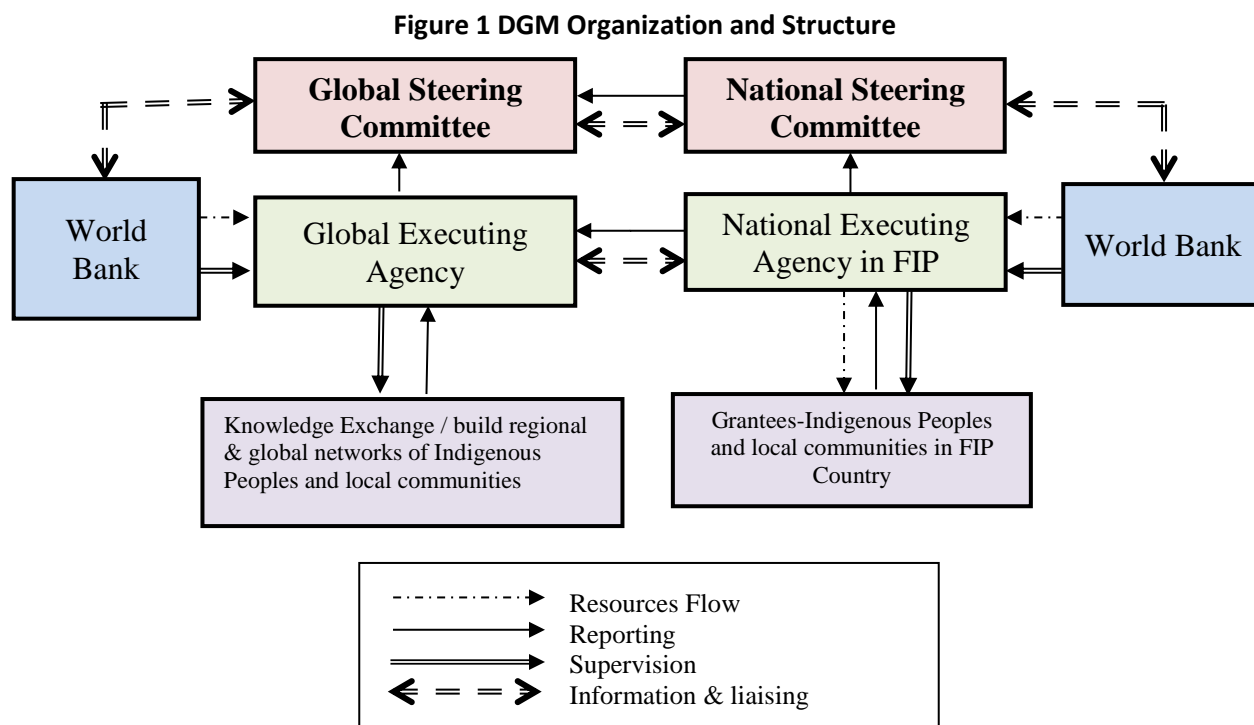
19. The **Global Executing Agency (GEA)** will provide secretariat functions for the GSC. Conservation International has been selected as the GEA. The GEA will carry out the agreed activities of the Global Component and will have responsibility for the overall communications and outreach activities of the DGM. It will coordinate actively with the National Executing Agencies (NEA) in the FIP pilot countries to monitor and document the implementation progress of the DGM and coordinate the knowledge and learning exchange. The GEA will liaise with global partners working on similar issues to enhance synergies and learning opportunities through the DGM. Such partners could be the UNREDD, FCPF, IFAD, GEF, international foundations and others. The GEA will also facilitate on behalf of the GSC, a complaints and grievance redress mechanism. For implementation of the Global Component, the GEA will seek approval of its work plan by World Bank and will report to the World Bank on the program, including fiduciary aspects. The GEA will implement activities of the Global Component in compliance with the World Bank's operational policies, including safeguards.

20. At the country level, the **National Steering Committee** will provide national DGM oversight and will be assisted by a **National Executing Agency** (NEA). The NSC's main functions will be to:

- provide oversight to the DGM in the country and the functioning of the NEA
- review and make funding decisions on eligible project proposals
- liaise with and participate in meetings of national REDD+ and FIP institutions
- raise funds through other programs/mechanisms
- report to the GSC on national activities
- mediate conflicts related to DGM funding proposals
- establish additional eligibility criteria for the DGM in the country

The NSC will prepare, with support by the NEA, an annual work plan and funding portfolio for approval by the relevant MDB.

21. The **National Executing Agency** will act as the secretariat for the NSC, develop country-specific grant review and risk assessment criteria, and provide national program status and results to the responsible national MDB. Each NEA will contract directly with the corresponding MDB but will be selected in collaboration with the NSC. The NEA will sign agreements with and disburse funds to grant beneficiaries and monitor each project to ensure appropriate use of DGM. DGM operational guidelines and country-specific procedures will be developed by the NEA to meet MDB fiduciary and safeguards requirements. The NEA will also maintain appropriate grant documentation and maintain stakeholder communications. At the global level, the NEA will respond promptly to queries and coordinate with the GEA.



2. THE WORLD BANK SAFEGUARDS REQUIREMENTS

22. During preparation of the country DGM projects the Bank teams will review and confirm which safeguards policies will apply for the country DGM projects. The corresponding instruments will be included in the project package that will be circulated for Bank management approval. For those country level DGMs that will be implemented in the same geographical areas as the FIP Investment Plan activities, there should be adequate information available in order to identify the potential risks and benefits as well as determine more concretely which of the operational policies will be triggered. As a result, it is recommended that the safeguard instruments (ESMF, RPF/PF, IPPF/IPP) prepared for the FIP investment projects or other recently approved projects in the forestry or natural resource management sector are reviewed for relevance and applicability. The following is an overview of the basis for applying the different policies, at the program level, and the particular circumstances of country projects:

23. **Environmental Assessment (OP/BP 4.01).** It is expected that proposed DGM projects will likely be rated either as Category B or C. The activities to be financed by the country level DGM are expected to have a positive impact on the environment as the Program as a whole seeks to promote sustainable management of natural resources in Indigenous Lands and for other local communities whose livelihoods depend on these resources. The nature and scale of the proposed investments are not expected to have significant adverse impacts but are expected to have positive environmental and social impacts. Notwithstanding these positive impacts, the proposed Projects' activities may be in some important biodiversity and forest areas. As mentioned above, this PESMF provides the basis for applying the safeguards policies in the context of country DGM projects. Depending on specific country circumstances, an ESMF may be prepared for country projects. The screening process should differentiate between people identified as Indigenous, in accordance to the World Bank's Policy OP 4.10, whose identities are distinct from mainstream groups in national society and are therefore often the most marginalized and vulnerable and, local communities present in the same area. Local communities who rely directly on forest resources may also be disadvantaged and vulnerable and impacts associated with forest degradation and natural resource tenure and use may exacerbate these vulnerabilities. Both, Indigenous Peoples and Local Communities should share in the development benefits and opportunities associated with the DGM. The ESMF will also address the capacity of affected IPLCs to address these issues as well as procedures for monitoring and reporting.

24. **Natural Habitats (OP/BP 4.04).** Activities under the proposed country projects should lead to positive impacts on natural habitats, such as their conservation and sustainable management. However, as project activities are likely to be undertaken in the vicinity of forests and/or protected areas or natural habitats this policy is triggered and during preparation of each country DGM project an assessment will be made as to how the requirements of this policy may be applied.

25. **Forests (OP/BP 4.36).** The country DGM projects and activities will have a positive impact on forest ecosystems through numerous activities such as avoiding deforestation, regenerating degraded forest lands, protecting and enhancing ecosystem services and biodiversity. As project activities are likely to take place in or around forest lands this policy is

triggered at the program level and each country DGM project will determine how the policy requirements might apply to the specific country circumstances, including, but not limited to, forest restoration, plantations, non-timber forest products collection/processing and agro-forestry activities.

26. **Pest Management (OP 4.09).** The majority of country DGM activities will have no association with pesticides. Nevertheless, some amounts of pesticides might be used in the short term for those activities inside/outside the forest areas associated with innovative or expanded agriculture. Consequently this policy is triggered for the Program. However, each country DGM project will decide based on the country specific circumstances whether the policy requirements apply or not. If it is determined that the policy applies, an analysis of potential negative impacts resulting from the use of these chemicals and the risks associated with the inappropriate handling or storing of their containers should be conducted. It is anticipated that for such cases, an already existing pest management framework can be adapted from recent agriculture projects in the country or an abbreviated PMP can be prepared, possibly, as part of the ESMF. As stipulated in the policy, the PMP will refer to the World Health Organization's Recommended Classification of Pesticides by Hazard and Guidelines to Classification (Geneva: WHO 1994-95).

27. **Physical Cultural Resources (OP/BP 4.11).** This policy is triggered for the Program as a whole and each country DGM project will determine whether the policy requirements apply in that particular project's context.

28. **Indigenous Peoples (OP/BP 4.10).** . This policy is triggered and applied because Indigenous Peoples are the key beneficiaries of the Program. Benefits and opportunities for IPs need to be identified in a culturally appropriate manner, when the program is implemented in areas where Indigenous Peoples are present or have a collective attachment to land, as required by OP 4.10. DGM country project preparation will be carried out in a participatory and culturally appropriate manner that will include an intensive process of free, prior, informed consultation with Indigenous Peoples. For those cases where sub-project proposals come directly from indigenous communities who may not be officially recognized as such in the country, it is the DGM's responsibility to determine if these groups meet the criteria of OP 4.10 for defining Indigenous Peoples. Sub-projects submitted by Indigenous Peoples or local communities could be considered the equivalent of the safeguard instrument required to be prepared by OP 4.10, an Indigenous Peoples Plan, if they meet the provisions of this policy.

29. **Involuntary Resettlement (OP/BP 4.12).** According to OP 4.12 (footnote 2), *"the policy does not apply to restrictions of access to natural resources under community-based projects, ... provided that an assessment satisfactory to the Bank establishes that the community decision-making process is adequate, and that it provides for the identification of appropriate measures to mitigate adverse impacts, if any, on the vulnerable members of the community."* Indigenous Peoples' claims and access to and use of land resources through traditional or customary systems entail communal property rights. However, in some cases it is possible that project activities related to land tenure are financed and entail land acquisition. Therefore, OP4.12 needs to be triggered. Each country project will make the determination if the policy requirements need to be applied in that country.

30. **Safety of Dams (OP/BP 4.37).** The country DGM Projects will neither support the construction nor rehabilitation of dams nor will they support other investments related with services of existing dams. However, it is possible that in some cases land development activities could rely on irrigation schemes fed from dams, and therefore, this policy is triggered at the Program level. However, each country DGM project will make a determination whether the policy requirements apply.

31. **Projects on International Waterways (OP/BP 7.50).** The proposed country projects will not be implemented on international waterways as the FIP projects with which the DGM projects will be associated with are not implemented on international waterways or likely to affect them. However, this policy is triggered at the program level. Each country team will make the determination on whether policy requirements apply in that particular country DGM project context.

32. **Projects in Disputed Areas (OP/BP 7.60).** This policy is triggered and each country DGM project will determine during project preparation whether this policy's requirements apply in that country.

33. **Access to Information.** The World Bank ensures that all project related documentation is available to a wide range of stakeholders and is easy to access. This information is provided via the World Bank website, Infoshop and locally in country.

34. **Gender and Vulnerable Group Considerations.** The Bank has established guidance to ensure that the potential development project risks to women and other vulnerable groups are identified and addressed as part of the social assessment process. The consultation process should include the views, concerns and priorities of men and women as well as the needs of disadvantaged and vulnerable groups. It is expected that the country REDD+ and FIP programs will have identified how these issues will be considered in the proposed activities. These considerations and associated actions need to be addressed in the ESMF/ESMP.

Special Stipulations Regarding the DGM and Safeguard Considerations

35. All country-based DGM activities will comply with all relevant World Bank safeguard policies and domestic laws of the country of operation. The specific safeguards policies applicable and the method of their application will be determined by the World Bank in each of the 8 Pilot countries during the preparation of the country DGM projects following the principles contained in this PESMF. The following activities would be ineligible for funding by the DGM⁴:

- activities carried out in relation to adjudication of lands under dispute;
- activities adversely affecting Indigenous Peoples and/or local communities, or where communities have not provided their broad support. Evidence of such broad community support may be explained in the project proposal, or presented in the form of a letter with the proposal;

⁴ As stated in the DGM Program Document

- removal or alteration of any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values);
- conversion, deforestation or degradation or any other alteration of natural forests or natural habitats including, inter alia, conversion to agriculture or tree plantations;
- financing of elections or election campaigning; and,
- purchase of arms or ammunition.

3. ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK FOR COUNTRY DGM PROJECTS

36. This P-ESMF is considered sufficiently robust to guide country specific DGM projects. Each country DGM project will be designed in accordance with the P-ESMF and will articulate specific country details and will consult during preparation as needed. The Project level ESMF could be a very light document which lays out specific institutional requirements, local procedures and budget resources among other country specific details. In some cases the application of the P-ESMF will result in the need for specific measures at the sub-project level to be articulated in relevant ESM Plans.

37. The objective of the country level ESMF is to provide effective management of environmental and social issues in each proposed country level DGM Program for all activities. It seeks to both enhance environmental and social development benefits of the activities and mitigate any adverse impacts, in line with specific country and World Bank policies and guidelines on management of environmental and social development projects. Moreover, since the precise locations and potential impacts and risks of future activities and subprojects may not be identified prior to appraisal, the ESMF and/or the ESMP included in the Operational Manual will provide basis guidance for the preparation of project specific safeguard instruments to manage compliance with World Bank operational policies during project implementation.

38. The NEA is required to develop and implement a country specific Environmental and Social Management Framework commensurate with the level of E&S risk in specific grant activities. The ESMF (see figure 2 for design approach) is a safeguards management system (both formal and informal) consisting of screening criteria, procedures, NEA management and consultant commitments, delineation of roles and responsibilities and guidance that are applied to review and manage the E&S issues and risks associated with its grants.

39. In agreeing to participate in the DGM grant program, each IPLC grantee will abide by any mandatory screening, assessment, and management of the environmental and social risks and impacts of proposed grant it receives in a manner that is consistent with World Bank safeguards. In order to effectively adapt these principals, the NEA will determine the capability of grantees to implement the corresponding safeguard provisions and when necessary provide sufficient training and/or technical support to ensure implementation.

40. The DGM Operational Guidelines (2013) provides a list of anticipated support for on-the-ground activities in the FIP pilot countries. The Country grants component will support, on a competitive basis, a number of activities and several of these activities may require application of environmental and social mitigation provisions. These activities are listed in figure 3.

Figure2. Design of the Country level DGM ESMF and/or ESMP in the Operational Manual

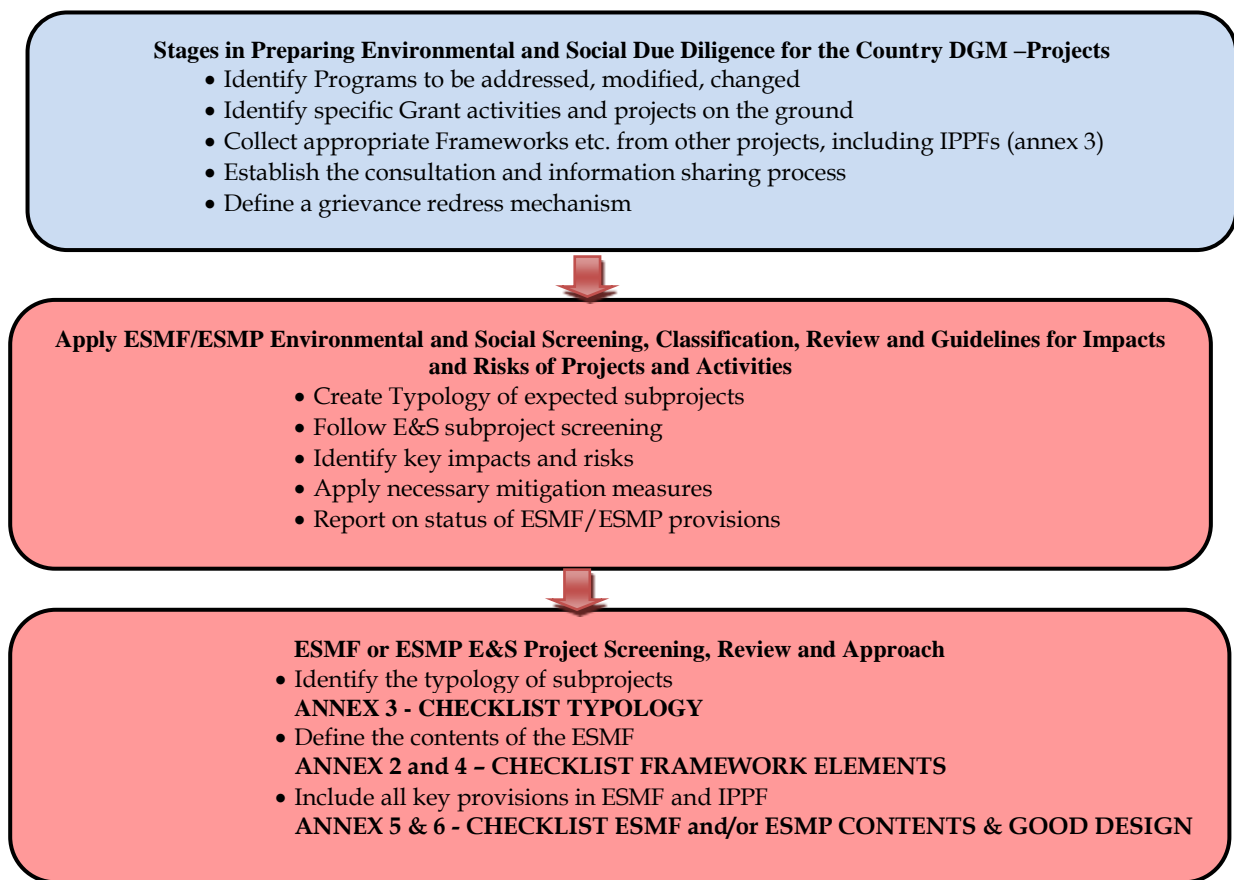


Figure 3. Preliminary List of DGM Activities That May Require E&S Mitigation

- Promotion of economic development and improvement of rural livelihoods practices that enhance Climate Change mitigation and adaptation
- Investments in sustainable management of forest landscapes, including woodland non-wood products for efficient use of energy, climate change mitigation and adaptation.
- Sustainable management and economic development of natural forests
- Restoration of previously degraded or converted forests;
- activities that are contingent on establishing legally recognized rights to lands and territories that indigenous peoples have traditionally owned or customarily used or occupied or the acquisition of such lands;
- IPLC traditional farming, medicinal and aromatic species use and conservation;
- Cultivation practices that enhance local agro-biodiversity;
- Indigenous/traditional water and soil conservation and improvement technologies;
- Indigenous landscape management practices.
- Traditional management and use of forests that maintain high carbon stocks and conserve biodiversity;
- community-led forest landscape restoration,
- Agro-forestry production systems, agro-ecology tillage practices, reforestation and plantations;
- Wood energy plantations,
- Sustainable charcoal/briquette production and
- Substitution of fossil fuel and energy in a locally adapted form,
- Biogas/ other renewable energy supply projects;
- Collection and processing of non-wood resources (medicinal plants; essential oils etc.);

41. Each DGM country ESMF is required to include the following provisions:

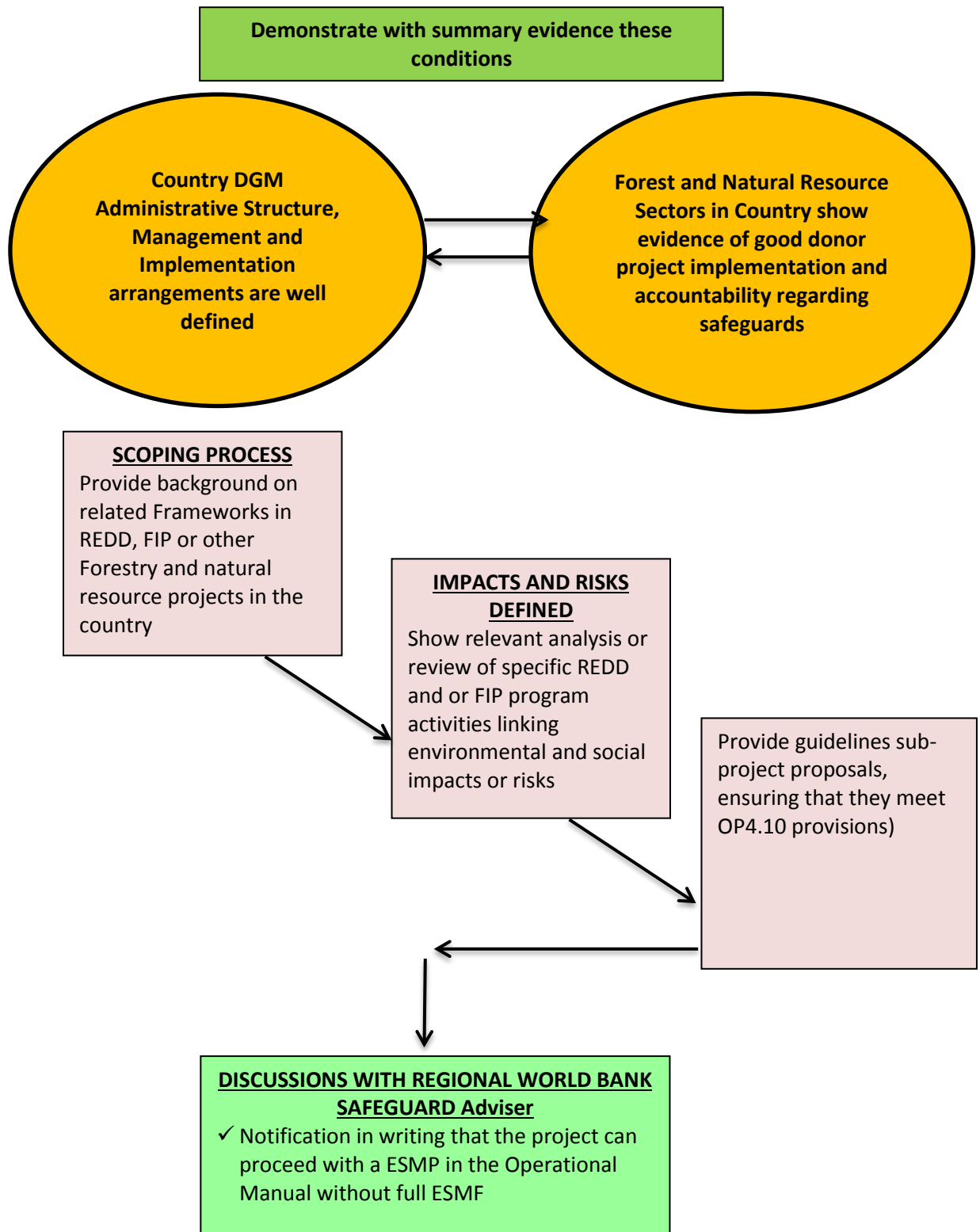
- A typology of potential project investments with a screening process that identifies those investments requiring further environmental assessment and associated mitigation provisions (annex 4);
- A review of similar frameworks used in country for forestry and natural resource management projects (including REDD and FIP projects if available) and identification of useful checklists and screening procedures that can be adapted for the country DGM
- Specific environmental and social due diligence provisions necessary to avoid, minimize or mitigate those subprojects with potential risks, and monitor their outcomes;
- A summary of key safeguard related regulations and their implication(s) for project implementation and include a clear concise reference table across all World Bank safeguards and country environmental and social regulations and mandates;
- The process for informed consultation across stakeholders and sharing of information about the program;
- A description of the structure and procedures for the grievance redress mechanism;
- Specific capacity building actions and activities to mitigate potential project impacts and enhance positive externalities for participating IPLCs;
- A Monitoring and Evaluation process of specific subproject environmental and social issues, if applicable, with practical indicators to illustrate status and progress; and

- An annual report on environment and social aspects that tracks progress across these issues and activities.

A collection of checklists are provided to guide in preparing the country DGM ESMF in the annexes.

42. Process for Country DGM Project to implement ESMFs. Figure 4 shows the steps and required documentation to demonstrate there is sufficient evidence to have an Operational Manual section on safeguards without developing a full ESMF. The safeguard instruments prepared will be reviewed and cleared by the World Bank in writing. Once this clearance is provided, in writing, the NEA can move forward to implementing the ESMF.

Figure 4. National Executive Agency Process for Submitting Request for an Operational Manual ESMP



4. WORLD BANK'S ROLE IN REVIEW AND IMPLEMENTATION SUPPORT

43. All the safeguards instruments prepared in the context of the country DGM projects will be reviewed and cleared by the World Bank. Each DGM country safeguards review and clearance process will follow the specific regional safeguard procedures (e.g., Latin America and the Caribbean, Africa and East Asia and the Pacific) which may entail somewhat different processes and/or overseeing staff. Each NEA shall be responsible for submitting annual ESMF performance reports to the World Bank. It is anticipated that this information will be contained in or be part of the annual progress reports required from the NEA and GEA to the WB.

44. *Environmental and Social Management Framework Review.* The NEA will be responsible for producing the country DGM ESMF or if deemed acceptable by agreement with the WB, solely the Operational Manual ESMP and submitting it to the World Bank. The WB shall review the appropriate country ESMF and/or Operational Manual ESMP to determine the adequacy by considering whether:

- (a) specific objectives and procedures with regard to its environmental and social performance are commensurate with the potential environmental and social impact and risk in specific activities;
- (b) the provisions of OP 4.10 have been met
- (c) consultation, participation and information sharing is defined
- (d) a grievance redress mechanism is established
- (e) the capacity, responsibilities, and accountability within the country implementing agents are described; and
- (f) procedures are in place for monitoring environmental and social performance of the targeted activities and providing annual progress reports to the GEA.

Upon determination that the ESMF and/or Operational Manual ESMP procedures are appropriate, the Bank approves these procedures (ESMF and/or ESMP in the OM) in a written memorandum to the NEA.

45. *Disclosure.* For each DGM country the World Bank requires that the NEA disclose through an available website, if a website exists, and to permit, in writing, the WB to disclose at the Bank's InfoShop and local PIC, the ESMF. Disclosure will also be carried out through other locally appropriate and accessible media such as community boards, radio, etc. In addition to disclosing the ESMF by the NEA, the concept stage and appraisal stage ISDSs are prepared and disclosed by the Bank as the source of summary information on the Bank's findings regarding environmental and social issues for each country DGM.

46. *Implementation Support.* To determine the effectiveness of a country ESMF, the Bank will periodically review the process and the results of the social and environmental due diligence conducted by the NEA for those activities supported by the project. The WB task team will also periodically review a sample of the country subprojects having potential environmental and social risks. WB implementation support may include visits to the NEA, as well as to recipients of DGM grants.

47. *Grievance Redress.* The initial point of contact for all grievances will be with a dedicated staff member within the NEA. If the NEA cannot resolve the issue, the grievance should be elevated to the NSC. If the NSC cannot resolve the issue, it will elevate to the GSC. Because the GSC meets infrequently, a Grievance Sub-Committee of the GSC will be formed to handle escalated grievances upon request. The terms of reference of this Sub-committee will be developed by the GEA upon the establishment of the GSC. It is expected that the majority of grievances filed can and should be resolved on the spot by the dedicated staffer within the NEA.

Annex 1: References

Project Concept Note on A Proposed Strategic Climate Fund Grant For a FIP Grant Mechanism for Indigenous Peoples and Local Communities, World Bank 2012.

Framework Operational Guidelines for the Dedicated Grant Mechanism (DGM) For Indigenous Peoples and Local Communities, ([link](#))

The World Bank's Approach to Grievance Redress in Projects, World Bank 2012.

Guidance for Using Safeguards Frameworks in the World Bank, World Bank 2013

Draft FCPF Guidance Note on Assessing and Strengthening National GRMs, World Bank/UNDP 2013.

ANNEX 2: Suggested Outline for ESMF for Country DGM Projects⁵

ESMF Table of Contents

1. **DGM overview** (1-3 pages)
2. **Project Administrative Structure, Management, Implémentation** (4-6 pages)
 - NEA central administrative office, level of decentralization for approving and oversight
 - The project review and approval process
 - The safeguard provisions built into the subproject cycle
 - How the project undertakes consultation, communication and public participation
 - The grievance redress mechanism
3. **The screening process and impact and risk approach** (6-8 pages)
 - Develop a tiered approach, no review required, limited review, full review (or equivalent based on a system that is designed around specific subprojects)
 - Link to other frameworks (REDD, FIP, other forestry natural resource projects) if applicable
 - Describe how the national environmental regulatory system, as well as legal and policy norms regarding indigenous peoples, fit into the system or other safeguards (UNREDD, Cancun, National Safeguards system, etc.)
 - Summarize the national level IPPF
4. **The ESMP** (4-6 pages)
 - Identify which specific subprojects require applying specific ESMP
 - Identify which specific subprojects require to meet OP 4.10 requirements for IPPs
 - Describe how mitigation will be planned and implemented
 - Identify when this happens and who reviews and approves the plans
 - Determine if contract clauses are needed, and if so, what they are
 - Identify for the specific ESMP 2-3 safeguard performance indicators
 - Determine who is implementing the safeguard provisions of the specific subproject
 - Determine timing and cost of these procedures for the subproject
 - Identify the annual (or other) project reporting system and how the safeguard provisions will be sampled and reported on
5. **Capacity Building Activities** (3-4 pages)
 - Identify if there is a need for capacity building and training to specific targeted IPLC beneficiaries
 - Review how the NEA will provide the IPLC with environmental and social support
 - If gaps, identify measures to correct, type of staff needed, skills required, budget resources
 - Designate audience, timing of activities, responsible implementers and estimated costs

⁵ The NEA may choose, with approval of the WB to base the contents of this ESMF on similar existing frameworks already in use by the country in similar projects and sectors or imbed equivalent provisions into the Operational Manual as part of a ‘safeguards section’ or ESMP.

Annex 3: Sub-project Examples and possible Environment and Social considerations

<i>Subproject examples</i>	Examples of possible Environmental and Social Considerations
Forest restoration /assisted regeneration of degraded forest areas	<ul style="list-style-type: none"> ■ Alternate grazing sites/fodder resources need to be planned for during closing of site for regeneration; ■ Species selection for understory planting could for eco-climatic zone;
Reforestation of degraded areas	<ul style="list-style-type: none"> ■ Restriction of use issues ■ Selection of tree species per community preference and ecological zones
Nursery/ seedlings establishment	<ul style="list-style-type: none"> ■ Land/site availability; use of pesticides/ herbicides; ■ Species selection
Woodlots for fuel wood and fodder	<ul style="list-style-type: none"> ■ land availability ■ species selection ■ benefit sharing
Improved cooking stoves	<ul style="list-style-type: none"> ■ social/ gender issues related to stove design; ■ Sustainable sourcing of wood
Sustainable management of agriculture	<ul style="list-style-type: none"> ■ Increased diversity of land races/varieties in food/fruit crops; ■ Natural pest management methods;
Agro-forestry/agro-pastoral projects	<ul style="list-style-type: none"> ■ Community may not reach agreement on species selection and livestock management systems; ■ Species selected may have limited use for community ■ Land selected may not be suitable for immediate returns
Bio-gas	<ul style="list-style-type: none"> ■ Siting of biogas digester ■ Livestock management
Community mapping, zoning, titling of forest land	<ul style="list-style-type: none"> ■ Consultations and agreement with all relevant parties; ■ zoning for sensitive habitats;
Collection, processing and commercialization of non-timber and agricultural products	<ul style="list-style-type: none"> ■ Sustainable harvesting; ■ Impact on customary rights of communities over NTFPs ■ Potential restrictions on use of forest areas
production and commercialization of handicrafts	<ul style="list-style-type: none"> ■ Sustainable sourcing of raw materials; ■ Gender issues
water resources management and protection of springs	<ul style="list-style-type: none"> ■ Restriction of water use, if any; ■ Erosion issues ■ Changes in access to water source;
Surveillance and prevention of forest fires	<ul style="list-style-type: none"> ■ safety of personnel

Annex 4: Checklist of Elements of a Good Framework for Country DGM projects

Step 1. Scoping Phase

In the early stage of developing a Framework, the NEA, or a consultant, need to confirm the types of subprojects expected to be supported in the REDD/FIP Program. This phase should:

- ✓ Identify other WB projects in country undertaking similar schemes and review those frameworks
- ✓ Review in the field sample of expected subproject schemes

This process will provide basic background information for the drafting of Terms of Reference (to be done by the NEA or by a consultant) that will be incorporated into a Request for Proposal by the implementing agency. This ToR will be included as the Scope of Work that defined all the required activities and deliverables to be produced by the hired consultant(s) who will be contracted by the NEA to write the ESMF and RPF.

Step 2. Defining the Contents of the ESMF

The following elements are basic provisions that need to be discussed in the ESMF and require concrete stipulation in the ToR. These elements will require the consultants to explain how these functions and activities will be proposed.

- ✓ Review in the field sample of expected subproject schemes Describe the projects administration works and role and position of environmental and social specialist
- ✓ Describe how the subprojects will be reviewed and approved
- ✓ Determine where in this project cycle when environmental and social safeguard screening will occur
- ✓ Develop a screening list for subprojects with key issues of concern and a process of triage-elimination from further review small, no impact activities –based on WB and national regulations
- ✓ Develop forms, guidance, checklists to apply sound technical inputs by each subproject or the following:
 - Technical aspects, design and construction, operation and maintenance
 - Determine if there is involuntary land acquisition, potentially leading to compensation for loss livelihoods, relocation and compensation
- ✓ Undertake a social assessment that is appropriate both in terms of scale and scope (proportional to the nature of the subproject)
- ✓ Screen for indigenous peoples presence in, or collective attachment to, sub-project lands
- ✓ Describe the consultation process
- ✓ verify if there is evidence of broad community support for the sub-project
- ✓ Identify how the grievance redress mechanism will function
- ✓ Define training and capacity building for improving use of Operational Manual by parties executing subprojects

Step 3. The M&E Process

Often, at this stage in drafting of the ESMF, there is not sufficient attention devoted to the M&E

aspects of safeguards. A good Framework will link this safeguard follow-up to the actual project M&E process.

- ✓ List methods of assessment, frequency, who will be doing
- ✓ Identify any external/third party audits
- ✓ Make sure safeguards performance included with project M&E and audits, in parallel

Step 4. Operationalize the Framework- Adapt the ESMF and/or have an acceptable ESMP

Experience shows that the production of the ESMF that is submitted to the Bank does not necessarily translate easily into an operational set of instruction and procedures once the project is operating. Since the country DGM will develop a detailed Operational Manual and this OM needs to contain a set of practical provisions that incorporate the steps described in the Framework that was produced for Bank approval

- ✓ Streamline the above elements into practical activities for the project.
- ✓ Hire additional consulting services at the early stages of project implementation if necessary to finalize this adaptation.

Annex 5: Checklist of Good Framework Design and Implementation

ESMF Composition – Structuring the Report

- ✓ Full margins, no larger than 12 font
- ✓ Content directed ONLY at project and subprojects (no laundry lists of plant and animal species, national parks, special habitats UNLESS connected to project)
- ✓ Send non-essential material to annexes
- ✓ Always have an executive summary and table of contents
- ✓ DO NOT have an excessive list of national environmental regulations and Bank safeguards – if required send to annexes –ONLY have comparison table with gap analysis
- ✓ Review country portfolio to identify similar projects using Frameworks and use appropriate material and concepts

The screening process

- ✓ Make sure the screening process clearly identifies those subprojects that do not need any more safeguard applications – keep screening to 5-6 KEY issues (environmental and social safeguards)
- ✓ Two tiered – yes or no (not 3 or 5 tiered on types of habitats)
- ✓ The screening MUST be tied to the DGM program appraisal, review and approval process
- ✓ Identify who is going to really do this process

Subproject mitigation review/checklists

- ✓ Make this useful and base it on existing standards if any
- ✓ Think about alternative checklist tools- charts, diagrams
- ✓ Create forms that are easy to read and CONCISE –try to keep to one side of page and at most use 1 page 2 sided

Monitoring Benchmarks

- ✓ Keep this simple 1-2 for environment and 1-2 for social (with immature and low capacity implementing agencies and use more for agencies that have demonstrated good monitoring capacity)
- ✓ MUST fold into REDD +, FIP monitoring and reporting process (e.g., quarterly, annually)
- ✓ If there are plans during project preparation to use a third party or independent audit during monitoring ALWAYS include these requirements in the ToRs

Grievance Redress Mechanism

- ✓ Design the GRM to be accessible to all stakeholders
- ✓ Include GRM process as part of DGM outreach so project beneficiaries understand how to file grievances and seek action
- ✓ Establish GRM confidentiality, impartiality, and transparency
- ✓ Define contact options and dedicate a trained specialist to handle the GRM?

Annex 6. ESMF Checklist

Environmental & Social Management Framework (ESMF) Checklist
Name of DGM Country Project: <hr/> Name of NEA Director: <hr/> Approval date: <hr/>
ESMF process and procedures—<i>check all that apply:</i> <ul style="list-style-type: none"> ✓ Documented process to assess Environmental and Social impacts and risks of its programs, projects and activities ✓ Built upon existing Frameworks in similar country projects (including IPPFs) ✓ ESMF specifies applicable requirements (e.g., national laws/WB safeguards) ✓ E&S due diligence process integrated with Operational Procedures ✓ Project site visits to be conducted as part of risk assessment procedures ✓ Grant agreements contain covenants requiring ongoing compliance with applicable safeguards requirements (e.g., national laws) ✓ Consultation plan in place ✓ Broad community support given ✓ Grievance redress mechanism defined
Monitoring and record keeping—<i>check all that apply:</i> <ul style="list-style-type: none"> ✓ Process for monitoring ongoing compliance with applicable safeguard requirements ✓ Process compatible with Operational Reporting ✓ Provisions for NEA reporting pertaining to E&S performance of projects ✓ Process for periodically reporting Environmental and Social performance information internally to senior management
E&S external reporting—<i>check all that apply:</i> <ul style="list-style-type: none"> ✓ Annual reporting on E&S performance to GEA and WB
ESMF roles and responsibilities—<i>check all that apply:</i> <ul style="list-style-type: none"> ✓ Designated ESMF Officer or consultant in NEA ✓ Description of ESMF staff responsibilities and roles
ESMF capacity and resources—<i>check all that apply:</i> <ul style="list-style-type: none"> ✓ Process for communicating ESMF policy and procedures across DGM recipients ✓ ESMF includes tools (e.g., checklists/guidance notes) for its implementation ✓ Budget allocated for ESMF training ✓ Training plan for ESMF implementation

Annex 7. Checklist – Environmental and Social Management Plan in the Operational Manual

Required Administrative Structure
<ul style="list-style-type: none"> ✓ Identification of staff for safeguard review of each grant application ✓ Consultation plan ✓ Grievance redress mechanism defined
Screening process and procedures
<ul style="list-style-type: none"> ✓ Reference to a typology of potential subprojects and activities and corresponding potential impacts and risks (may be a separate annex or technical guidance) ✓ Documented process to assess Environmental and Social impacts and risks of each grant application as part of NEA review – include such criteria into the grant review process. ✓ Initial Environmental and Social Screening: Describe the process for initial environmental and social screening for each subproject technical proposal submitted to the NEA. The proposal should include a section describing the key environmental features of the project site and determination about (a) indigenous peoples presence in, or collective attachment to, project lands, and (b) if there is any involuntary land acquisition.
EA/EMP and E&S due diligence
<ul style="list-style-type: none"> ✓ Preparation of ESA/ESMP: In those subprojects requiring further environmental and social review or assessment, the project proponents will prepare (or organize preparation of) the relevant documents for submission within the time indicated by the NEA. A standard format and content for a typical ESA/EMSP is needed. Depending on the project environmental and social impacts, the environmental documentation could either be a limited environmental review or a more detailed ESMP. This may be a separate report, or simply presented as a section of the overall project document submitted for appraisal to the approving authority. ✓ E&S due diligence by NEA if needed that includes site visits – summary form or documentation included as part of NEA review ✓ As part of Grant Approval by the NEA, agreements may contain covenants requiring ongoing compliance with applicable safeguards requirements (e.g., national laws, specific mitigation requirements, etc.)
Safeguard Supervision and Reporting
<ul style="list-style-type: none"> ✓ Process for monitoring ongoing compliance with applicable safeguard requirements ✓ Process compatible with Operational Reporting ✓ Provisions for NEA reporting pertaining to E&S performance of projects ✓ Process for periodically reporting Environmental and Social performance information internally to senior management ✓ Annual reporting on E&S performance to GEA and WBG (incorporated into NEA reporting process)