

INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE

Report No.: 92797

Date ISDS Prepared/Updated: 15-September-2014

I. BASIC INFORMATION

1. Basic Project Data

Country:	World	Project ID:	P128748
Program Name:	FIP Grant Mechanism for Indigenous Peoples & Local Communities (P128748)		
Task Team Leader:	Madhavi M. Pillai		
Estimated Board Date:	2/26/2015		
Managing Unit:	GCC PT		
Sector(s):	Forestry (100%)		
Theme(s):	Participation and civic engagement (45%), Other rural development (30%), Indigenous peoples (25%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Program Financing Data (in USD Million)			
Total Program Cost:	50.0	Total Bank Financing:	0.00
Financing Gap:	50.0		
Financing Source			Amount
Borrower			0.00
Strategic Climate Fund Grant			50.0
Total			50.00
Environmental Category:	F - Financial Intermediary Assessment		
Is this a Repeater project?	No		
Is this a Transferred project?	No		

2. Program Development Objective(s)

The global Program Development Objective of the Dedicated Grant Mechanism For Indigenous Peoples and Local Communities (DGM) Program is to strengthen the capacity of Indigenous Peoples and Local Communities (IPLCs) to participate in the Forest Investment Program and other REDD+ programs at local, national and global levels.

3. Program Description

The Collaborative Design Process

The DGM design and preparation process has been highly collaborative, with the key stakeholders -the IPLCs and the World Bank working as partners in the process. Consistent with the mandate in the FIP Design Document the DGM is to provide Indigenous Peoples' and local communities in the FIP countries a financing and learning mechanism for demand-driven initiatives. The concept of the DGM was discussed among the global Working Group of IPLCs and FIP countries in four regional meetings in Africa, Asia-Pacific and Latin America and two global meetings in Bangkok and Washington, D.C. during 2010-2011. These discussions resulted in the DGM Design Proposal which presents the overarching principles, approach and potential activities for the grant mechanism. Following the decisions of the FIP Sub-Committee at its seventh session in November 2011 to operationalize the DGM, the global Transitional Committee of the DGM met with FIP country Focal Points and MDBs in Istanbul, Turkey to discuss and agree on the Framework Operational Guidelines that establish the framework to guide the preparation and implementation of the DGM at national and global levels.

Following the Istanbul meeting and further revisions, the co-Chairs of the Transitional Committee finally endorsed the DGM Framework Operational Guidelines in September 2013. The Guidelines are the result of a collaborative effort between the MDBs, the Transitional Committee and the FIP Pilot countries and describe the principles, programmatic focus and the common governance, institutional and reporting arrangements to be followed by the program. The Guidelines also describe the criteria for grant funding. Each country DGM project may use these Guidelines and adapt them to their own circumstances, ensuring that the common framework and spirit of the Program are conserved.

Program Structure

On the basis of the agreed Framework Operational Guidelines, the Program is structured in two-parts to serve both, the localized objectives of IPLCs at the country level as well as the training, alliance-building and knowledge exchange needs at regional and global levels.

- Part One of the DGM is a Country Project in each FIP pilot country (currently Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru) that supports on the ground activities and capacity building;
- Part Two of the DGM is a Global Learning and Knowledge Exchange Project- the Global Component - a platform for capacity building and strengthening networks and partnerships among and between IPLC organizations. This serves as a *chapeau* or umbrella promoting both, internal and external outreach, networking and knowledge exchange between DGM activities in the FIP countries as well as other REDD+ countries, monitoring and learning as well as reporting on the program.

This structure addresses the IPLCs' objective to play a greater role in FIP and REDD+ at the country as well as international levels by strengthening capacities at two levels: (i) the core institutional capacities of IPLC organizations will be strengthened through management of grant-financed initiatives of their choice and, (ii) IPLC 'voice' and participation in regional and

global forums will be strengthened by the global platform for learning and knowledge exchange through cross-regional learning events and organization of IPLC networks and alliances. This Component will also serve as a coordinating mechanism among the eight country projects for learning, monitoring and reporting. At country level, grant-financed initiatives will lead to a range of other benefits related to livelihoods, income, sustainable management of forests, wood energy, etc., depending on the activities in the countries.

The World Bank proposes to operationalize this initiative through a series of projects under a common Program framework which will be applicable to DGM projects in the FIP countries. These DGM projects will be prepared in each FIP pilot country following World Bank procedures for Investment Project Financing.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The World Bank will be the implementing agency for the eight FIP pilot countries: Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru. Within the countries, the specific geographical locations of sub-projects (grants) will be determined during the preparation of each country DGM project. On the basis of the procedures applied to all projects financed by the Strategic Climate Fund, which also finances the DGM, the specific fiduciary and safeguards rules to be applied for the DGM country projects will be those of the respective MDBs (in this case the World Bank) which will channel the DGM funds. The specific institutions/entities which will execute the program in each pilot country have not yet been selected at this stage. These institutions will act as executing agencies as the DGM funds will be channeled through them to IPLCs. These responsibilities for implementation will include the fiduciary and safeguards aspects as defined in the rules set forth in the Operational Guidelines and Manual. There would be regular reporting of the progress with application of the Bank’s safeguards policy frameworks in those countries where the Bank is the implementing agency, and documentation of their compliant application to sub-projects (grants) of the different activities during preparation as well as implementation. At the global program level the Global Executing Agency will provide support to Country level Steering committees and Executing agencies to ensure consistency and coherence across the whole program.

5. Environmental and Social Safeguards Specialists on the Team

Zarafshan H. Khawaja, Lead Social Development Specialist (AFTCS)

Hocine Chalal , Lead Environmental Specialist (AFTN1)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The DGM program will have 8 country projects prepared and implemented separately under IPF procedures. The program has a global component for capacity building, knowledge and learning activities and eight country projects. The country projects will

	<p>finance initiatives selected and implemented by communities in sustainable management of forest landscapes, including wood, non-wood products; and, for promotion of rural livelihoods practices that enhance climate change mitigation and adaptation. Country projects will also finance community capacity building activities and trainings. As a sub-program of the FIP, activities eligible for DGM funding will be aligned with the FIP investment criteria. The following are ineligible for DGM funding:</p> <ul style="list-style-type: none"> • 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; • 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. <p>Considering the need to ensure consistency between the different DGM operations a Program level ESMF has been prepared and used as a common basis for the development of project specific environmental and social safeguards approach. The Program level Environmental and Social Management Framework is designed to be used as the operating safeguards umbrella for each DGM country project. Each DGM country project will be guided by a Bank</p>
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		<p>Task Team that will be involved in the design and appraisal of the project. The Task Team will apply the generic guidance in the PESMF to the specific country specific DGM project components. 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. The 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 the ESMF. The DGM will not finance Category A sub-projects in the countries.</p> <p>This Program level ESMF is being disclosed before appraisal of the Program and has been discussed at the meeting of the global transitional committee and referenced in the program level Framework Operational Guidelines.</p>
Natural Habitats OP/BP 4.04	Yes	<p>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.</p>

Forests OP/BP 4.36	Yes	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.
Pest Management OP 4.09	Yes	The majority of country DGM activities will have no association with pesticides. Nevertheless, there is a possibility that small amounts of pesticides may be used in the short term for activities inside/outside forest areas associated with innovative or expanded agriculture. During preparation each country DGM project will decide based on the country specific circumstances whether the policy requirements apply or not.
Physical Cultural Resources OP/BP 4.11	Yes	This policy is triggered for the Program as project activities in Indigenous Peoples areas are likely to involve and each country DGM project will determine whether the policy requirements apply in that particular project's context.
Indigenous Peoples OP/BP 4.10	Yes	Since the project specifically covers indigenous communities and will be implemented in known locations of Indigenous Peoples in forest lands, OP4.10 applies. The P-ESMF provides an over-arching framework and guidance for preparation of all national DGM projects. National DGM Projects will be considered as IPPF, provided it incorporates all aspects of the P-ESMF with regard to IPs including consultation and disclosure etc. with national IP representatives on the national approach. Each community sub-project will be

		considered an IPP provided they follow the requirements defined in the national DGM approach
Involuntary Resettlement OP/BP 4.12	Yes	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.
Safety of Dams OP/BP 4.37	Yes	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.
Projects on International Waterways OP/BP 7.50	Yes	While DGM country projects are unlikely to be associated with international waterways, this policy is triggered to take into account the fact that exact locations of country sub-projects are not known at this time.
Projects in Disputed Areas OP/BP 7.60	Yes	This policy is triggered because the exact location of activities in each country DGM project is not known at this time. During preparation country projects will determine during whether this policy requirements apply in that country.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed program. Identify and describe any potential large scale, significant and/or irreversible impacts:

The DGM has a Global Component and Country DGM Projects. Overall, the program is unlikely to have significant safeguards issues or impacts as its objective is to provide capacity building and funding for communities to

Activities under the Global Component are unlikely to generate any significant safeguards

impacts as they will essentially aim to provide a space and structure for better coordination, knowledge sharing and overall collaboration between IPLCs within and also outside the program. Each country level DGM operation will be subject to specific safeguards review and oversight on the safeguards aspects on the basis of their specific activities and contexts.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

N/A

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Given that this is a global program with a series of country projects working directly with communities, an umbrella approach is being used to provide safeguards guidance to all Bank country DGM teams through a programmatic environment and social management framework (PESMF). The PESMF is designed to be used as the operating safeguards umbrella for each DGM country project and provides overarching principles and guidance in line with the World Bank's safeguard policies. Country task teams may use the PESMF for the country DGM project or prepare a country-specific ESMF, based on the need of the circumstances in the country.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The Global Executing Agency as well as the National Executing Agencies are the entities which will ensure, respectively, the coherence of the whole program and compliance with Bank Policies. The World Bank teams (at program level and at country level) will ensure that the executing agencies have the appropriate capacity and resources in order to carry their roles regarding safeguards aspects.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The principles contained in the Program Level ESMF have been discussed in the meeting of the global transitional committee of the DGM which is the reference group for the preparation of the overall Program. In addition all country level DGM operation will have their own set of safeguards instruments (consisting in some cases in the PESMF with specific operational procedures to be indicated in the safeguards section of the Operational Manual). The PESMF will be posted in the Bank Infoshop as well as on the CIF website. It is to be noted that the PESMF will be available in Portuguese, Spanish and French.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	NA
Date of submission to InfoShop	
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	N/A
World	
<i>Comments:</i>	
Indigenous Peoples Development Plan/Framework NA	

Date of receipt by the Bank	
Date of submission to InfoShop	
"In country" Disclosure	
World	
<i>Comments:</i>	
Pest Management Plan NA	
Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	
Date of submission to InfoShop	
"In country" Disclosure	
World	
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	
NA	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment			
Does the project require a stand-alone EA (including EMP) report?	Yes []	No []	NA [X]
OP/BP 4.04 - Natural Habitats			
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes []	No []	NA [X]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes []	No []	NA [X]
OP 4.09 - Pest Management			
Does the EA adequately address the pest management issues?	Yes []	No []	NA [X]
Is a separate PMP required?	Yes []	No []	NA [X]
If yes, has the PMP been reviewed and approved by a safeguards specialist or SM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes []	No []	NA [X]
OP/BP 4.11 - Physical Cultural Resources			
Does the EA include adequate measures related to cultural property?	Yes []	No []	NA [X]
Does the credit/loan incorporate mechanisms to mitigate the	Yes []	No []	NA [X]

potential adverse impacts on cultural property?	
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [] No [] NA [X]
OP/BP 4.36 – Forests	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [] No [] NA [X]
Does the project design include satisfactory measures to overcome these constraints?	Yes [] No [] NA [X]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [] No [] NA [X]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [X] No [] NA []
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [X] No [] NA []
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [] No [] NA [X]
Have costs related to safeguard policy measures been included in the project cost?	Yes [] No [] NA [X]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [] No [] NA [X]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [] No [] NA [X]

III. APPROVALS

Task Team Leader:	Name: Madhavi M. Pillai	
<i>Approved By:</i>		
Safeguards Advisor, OPSOR:	Glenn Morgan	Date:
Sector Manager	Jane Olga Ebinger	