

PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Project Name	(P128748)
Region	OTHER
Country	World
Sector(s)	Forestry (100%)
Lending Instrument	Adaptable Program Loan
Project ID	P128748
Environmental Category	F-Financial Intermediary Assessment
Date PID Prepared	08-May-2012
Estimated Date of Appraisal Completion	26-Nov-2012
Estimated Date of Board Approval	24-Jan-2013
Concept Review Decision	Track II - The review did authorize the preparation to continue
Other Decision	

I. Introduction and Background

1. The Forest Investment Program (FIP) is one of the three programs under the Strategic Climate Fund (SCF), a multi-donor Trust Fund established in 2009, as one of the two funds under the Climate Investment Funds (CIF) to provide fast track climate financing. The FIP supports developing countries' 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. For more information on the FIP please see Annex A to this PID or use the web links provided at the end of this document.

2. The pledges for the FIP currently stand at \$611 million. The program is under implementation in eight countries – Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru- where governments are preparing FIP investment plans with support from Multilateral Development Banks (MDBs). The FIP is governed by a Sub-Committee (SC), which has decision-making members from contributor and recipient countries and, observers broadly representing Indigenous Peoples, Civil Society Organizations, the private sector and MDBs.

3. One of the objectives of the FIP is to facilitate the effective participation of Indigenous Peoples and Local Communities (IPLCs) in the design and implementation of FIP investment plans and to strengthen the capacity of these groups to play an informed and active role in the FIP, as well as other national and global REDD (reducing emissions from deforestation and forest degradation) processes. Section X of the FIP Design Document on Indigenous Peoples and Local Communities states that, *“the full, effective and continuous participation of Indigenous Peoples and local communities in the design and implementation of FIP investment strategies is necessary. This participation will be highly dependent on strengthening the capacity of these groups to play an informed and active role in national REDD processes in general and FIP processes in particular, as well as on recognizing and supporting their tenure rights, forest stewardship roles, and traditional forest management systems.”* To facilitate such participation and capacity building it states that: *“a dedicated grant mechanism (DGM) should be established under the FIP to provide grants to indigenous peoples and local communities in country or regional pilots to support their participation in the development of the FIP investment strategies, programs and projects”*.

A. Development of the DGM

4. Development of the design of the DGM has been led by IPLC groups themselves, with logistical support from the CIF Administrative Unit (CIF AU). As shown in Table 1, discussions commenced at the earliest stages of the design of the FIP in 2009. These discussions were followed by a presentation by the CIF AU at the Ninth Session of the United Nations Permanent Forum on Indigenous Issues (April 23, 2010) regarding the purpose of the grant mechanism, the design process and the prospects for implementation in a manner that simultaneously protects both forests and indigenous livelihoods, values and ways of life. Subsequently, regional meetings were organized, and led by IPLC representatives, with logistical support from IUCN, under the aegis of the CIF AU.

5. Four regional meetings in Africa, Asia, Pacific and Latin America and two global meetings in Bangkok and Washington D.C. were conducted during 2010-2011 with the participation of IPLC representatives from FIP pilot and non-pilot countries (see Table 1). Government counterparts from pilot countries also participated in the regional meetings. These meetings discussed the principles, content and structural elements of the DGM. The meeting for the Pacific region was organized to accommodate the request of representatives from the region who, despite being fully aware that DGM investments cannot be made in non-FIP countries, wanted the opportunity to be involved with this first-of-its-kind strategic global initiative, and benefit from the lessons it generates.

Table 1: Time Line of Consultations and Participatory Planning

Description	Time Line
Initial consultations on design of the FIP	2009
Presentation to 9 th Session of the UN Permanent Forum on Indigenous Issues	April 23, 2010
Regional meetings (organized by CIF AU):	
Africa (Accra)	November 18-20, 2010
Asia (Vientiane)	January 25-27, 2011
Latin America (Lima)	February 2-4, 2011
Pacific (Sydney)	February 7-8, 2011
Global meetings:	
Bangkok, Thailand	April 8-10, 2011
Washington D.C. USA	May 24, 2011
Approval of Design Proposal by FIP SC	October 31, 2011

6. Each regional meeting arrived at consensus conclusions and recommendations set forth in a written document as a contribution to the global meeting, and for broad review, through web-postings. These meetings also resulted in the selection of representatives to the Global IPLC Working Group, which was entrusted with finalizing the DGM Design Proposal (see Annex B -to this PID or use the web link provided at the end of this document). Subsequent consultations within the Global IPLC Working Group and revisions to the written material developed in the two global meetings led to a working draft of a Design Proposal which was discussed and reviewed by the MDBs and approved by the FIP SC on October 31, 2011. The Design Proposal lays down the overarching principles, governance framework and potential list of activities to be financed. In approving the Design Proposal the FIP Sub-Committee also took note of the funding envelope of \$50million for the entire program. The FIP SC also endorsed a concept note outlining the principles by which the Multilateral Development Banks (MDBs) will facilitate IPLCs' access to grants under the DGM, while adhering to the MDBs' own operational policies and procedures and requested the IPLCs and the MDBs to continue to work together to operationalize the DGM.

7. As with all CIF investments, the DGM funds need to be channeled through one or more MDBs. Following the request from the FIP SC asking the MDBs to develop the implementation mechanism for DGM, the World Bank proposes a programmatic approach. The concept is based on the Design Proposal (Annex B) and discussions with the Global IPLC Working Group and should be read in conjunction with this document as well as the FIP Design document (Annex A). The proposed program with an envelope of \$25.5million will cover Burkina Faso, Democratic Republic of Congo (DRC), Ghana, Lao Peoples Democratic Republic (Lao PDR), in addition to a global knowledge sharing and networking component. Information sharing meetings are to be held during mid-2012 in the Latin America pilots and Indonesia for the IPLCs to agree on the choice of MDB to channel the DGM funds in Brazil, Mexico, Peru and Indonesia. If as a result of those meetings the Bank is

requested to implement the program in those pilot countries, the program will be proposed for expansion to the FIP SC under the same framework and design presented in this document.

II. Proposed Development Objective(s)

Proposed Development Objective(s)

8. The objectives of the program are to 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.

B. Key Results

- Climate mitigation and/or adaptation (REDD+) initiatives launched in at least 25% of communities which have received grants.
- Capacity of IPLCs to participate in local, sub-national and national FIP and REDD+ decision-making processes in the FIP pilot countries initiated and/or improved. (data from surveys).
- Collaboration and exchange among IPLCs across pilot countries and beyond on REDD+.

III. Preliminary Description

A. Overarching Principles

9. The proposed program is based on the Design Proposal (Annex B) developed by the Global IPLC Working Group to provide them access to the grants. In line with the conceptual underpinnings of the DGM, the following principles will guide the program through preparation and implementation:

- IPLC ownership and joint decision-making: As primary stakeholders, their ownership of and participation in key decisions during preparation and implementation would be ensured.
- Transparency and accountability: The selection of implementing partners, members of governing bodies and beneficiaries will be done in a participatory and transparent manner and mechanisms for ensuring accountability will be developed.
- Flexibility, efficiency and administrative simplicity: The process for access of grants by beneficiaries will be executed with the view towards ease and simplicity, and all efforts will be made to ensure that the procedures for grants request and approval will be flexible, efficient and simple.

B. Program Components

10. The following description is based on the Design Proposal (Annex B). It will be further elaborated and fine-tuned during preparation, in discussion with the Global Working Group of IPLCs. The program will have two components. Component 1 will focus on community capacity building on REDD+ and support initiatives that enhance communities' resilience to climate change. This component will be implemented by the World Bank in four pilot countries- Lao PDR, Burkina Faso, Ghana and Democratic Republic of Congo. In the case of the Brazil, Mexico and Peru, implementation would be either through the World Bank or the Inter-American Development Bank (IADB), and in the case of Indonesia it would be either the World Bank or Asian Development Bank (ADB). Component 2 will focus on global exchange of knowledge related to REDD+ among IPLCs from the pilot countries and beyond, and enhance their participation in regional and global climate fora and will be implemented by the World Bank.

- **Component 1: Community capacity building and sub-projects in FIP pilot countries [\$20.5 million].**

11. *Sub-component 1a: Communications and Coordination.* Communications and coordination in each pilot country among stakeholders will be enhanced to: (i) reach out to target groups and to provide them necessary information on the DGM; (ii) facilitate a process of bottom-up self-selection to identify beneficiary communities; and (iii) identify priorities and activities complementary to FIP investments and national REDD+

processes, and within the program framework.

12. ***Sub-component 1b: Community sub-projects.*** Eligible IPLCs receive small grants to undertake small-scale activities of their choice within the program framework. Based on the DGM Design Proposal (Annex B) a preliminary list of activities would include technical assistance for strengthening customary land tenure and resource rights and traditional forest management systems of indigenous peoples and local communities; capacity building assistance, as required, for the development of pilot project proposals by indigenous peoples and local communities and their implementation; and technical support for the involvement of IPLCs in monitoring and evaluation of forest activities, in conformity with relevant national laws and regulations and World Bank operational policies. Other potential thematic areas under which activities could be financed include: (a) REDD+-related livelihood and resilience activities and improved business management skills; (b) integrating indigenous knowledge and cultural practices with modern technologies to enhance climate change adaptation and mitigation; (c) mapping and technical skills for REDD+; and (d) enhancing community stewardship and management of forests. This indicative list will be fine-tuned and tailored to country-specific contexts in discussion with the Global Working Group of IPLCs during the next stage of preparation of the program. This sub-component will be implemented under a set of common Operational Guidelines in the countries of implementation, after they are agreed with the IPLCs and aligned with the existing political and decentralized governance context. These procedures will be specified in the program's Operational Guidelines. These Guidelines will include: (i) eligibility criteria; (ii) eligible or ineligible activities; (iii) sub-project level management rules; and (iv) monitoring and reporting, including the use of social accountability and community driven development approaches for monitoring and evaluation (M&E).

13. ***Sub-component 1c: Technical assistance, monitoring & learning.*** Technical assistance would be provided for strengthening the capacity for investment-preparedness, including support for registration, preparing proposals, financial management skills for traditional forest investments as well as Payment for Environmental Services and carbon payments; and improving access to forest financing and investments. Monitoring and learning would be enabled through peer reviews to encourage cross-country exchange and sharing of information and experiences, and to document learning and implementation experiences. Lastly, this sub-component will ensure that sub-projects are on track with agreed outcomes and time lines

- **Component 2: Global knowledge sharing and networking on REDD+ [\$5 million]**

14. The objective of this component is to organize and facilitate knowledge and experience exchanges between local communities and Indigenous Peoples on REDD+ issues between FIP pilot countries and non-FIP developing countries. This will be done by building on the lessons and experiences emerging from the 8 country pilots. Such support would enable convergence of ideas and initiatives from other REDD+ programs, including FCPF and UNREDD, and help in bringing the 'voice' of IPLCs to Climate Change and REDD+ policy forums.

15. ***Sub-component 2a: Knowledge & experience sharing on FIP and REDD+.*** This will include exchange visits, workshops and training programs for participants from FIP and non-FIP pilot countries on successful local FIP and REDD+ experiences.

16. ***Sub-component 2b: Building and strengthening Networks and Alliances.*** (a) support to strengthen vertical integration of partnerships and alliances of local and sub-national organizations of indigenous peoples and forest communities and facilitate their representation in national and sub-national forums on forestry and biodiversity, climate change and REDD+; (b) support to strengthen horizontal (regional and international) alliances of forest based communities and indigenous peoples and for their direct participation in international processes on climate change and REDD+.

17. ***Sub-Component 2c: Monitoring, Evaluation and Reporting.*** Support for tracking, documenting, and consolidating lessons and experiences from Components 1 and 2 would be provided. These lessons will eventually be collated into an overall DGM report to be presented to the FIP Sub-committee each year. Monitoring and independent evaluation would also be part of this sub-component. The FIP Results Framework will guide the overall monitoring and results reporting.

C. Program Financing

18. The FIP Sub-committee has approved an overall envelope of \$50 million in grant resources for the DGM which is to be channeled through one or more MDBs. The World Bank will be channeling the resources for the Global Component as well as for Burkina Faso, Democratic Republic of Congo, Ghana and Lao PDR which total to \$25.5million. Either the World Bank or IADB may channel the resources to Brazil, Mexico and Peru. This issue is still under discussion among IADB and the World Bank, and IPLCs. Similarly, either ADB or the World Bank will implement the program in Indonesia, depending on the outcome of initial country meetings in these countries. The distribution of resources among the eight pilot counties will be as given below, as per the preference of the IPLCs:

Brazil and Indonesia	: 13% or \$6.5m each
DR Congo and Mexico	: 12% or \$6.0m each
Peru and Ghana	: 11% or \$5.5m each
Burkina Faso and Lao PDR	: 9% or \$4.5m each
Global Component	: 10% or \$5m

19. The team is also exploring the possibility for coordination and synergies with the FCPF's (Forest Carbon Partnership Facility) Capacity Building Program for Forest-Dependent Indigenous Peoples and Forest Dwellers with the Global component of the DGM. There are similarities between both, and, bringing them under one umbrella would make it operationally coherent and amplify the reach to the intended target groups. The FCPF currently has a funding envelope of about \$4million for this Capacity Building Program which covers Forest-Dependent Indigenous Peoples and Forest Dwellers as well as Southern CSOs.

20. The administrative costs of the World Bank and other MDBs for preparation and supervision of the program will be financed from a different source- the reserve fund- under the FIP. The program will finance preparation and supervision costs of the World Bank as per the CIF benchmarks for project preparation and supervision.

D. Geographic Coverage

21. As stated above, the program will be implemented by the World Bank in Burkina Faso, Ghana, DRC and Lao PDR. The decision regarding the rest of the pilot countries will be made during 2012, and accordingly either the World Bank or IADB (in Latin America) or ADB (Indonesia) may implement the program in those countries. Project location and beneficiary identification within each country will be decided through a consultation and planning process designed to respond to the political and cultural context and to build ownership of the program.

E. Role of other MDBs in implementation

22. FIP procedures require MDBs to work in partnership with each other while supporting countries in FIP investment planning and implementation. During implementation of FIP investment projects the lead implementing MDB's operational policies and procedures apply. The same model will be followed for the proposed DGM. The World Bank's operational policies and procedures apply in those countries where the World Bank implements the program (Burkina Faso, DRC, Ghana & Lao PDR). The World Bank and other MDBs will work together on the technical aspects of the program such as the operational guidelines, and, continue to collaborate to ensure consistency in the program across the eight pilot countries.

F. Lending Instrument

23. The program will be developed like a horizontal Adaptable Program Loan (APL) where a common framework is used for implementation in several countries. During the first phase the overall programmatic Project Appraisal Document (PAD) and Operational Guidelines will be developed. Individual country programs will be prepared and approved subsequently on a 'first-come first-serve basis.' This horizontal APL will not have triggers for release of tranches to country programs as each country will receive only one tranche of the grant resources. However, the program in each country would need to meet agreed eligibility criteria for it to be presented for approval.

24. This approach gives the program the necessary flexibility to accommodate the capacity and political economy differences between the 8 pilot countries and allows the IPLCs in each to proceed at their own pace. Second, given that all 8 pilots will use the same overall framework and operational guidelines for the program, it reduces the need for duplication of common rules, criteria, procedures, etc. Third, there will be flexibility to allow more countries in to the program, should more pilots join the FIP. Lastly, this approach would be appropriate as IADB and/or ADB may implement the program in one or more countries.

IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04	X		
Forests OP/BP 4.36	X		
Pest Management OP 4.09	X		
Physical Cultural Resources OP/BP 4.11	X		
Indigenous Peoples OP/BP 4.10	X		
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

V. Tentative financing

Financing Source	Amount
Borrower	0.00
Strategic Climate Fund Grant	25.50
Total	25.50

VI. Contact point

World Bank

Contact: Gerhard Dieterle
Title: Forests Adviser
Tel: +1-202-458-7334
Email: gdieterle@worldbank.org

VII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>

VIII. For more information on the FIP and the DGM visit:

<http://www.climateinvestmentfunds.org/cif/> . Or [click here](#) for the FIP Design Document and DGM Design Proposal.