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The World Bank

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

PROGRAM DOCUMENT FOR

A DEDICATED GRANTS MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL
COMMUNITIES (DGM)

INCLUDING

A STRATEGIC CLIMATE FUND (SCF) – FOREST INVESTMENT PROGRAM GRANT IN
THE AMOUNT OF US\$ 4.73 MILLION TO

CONSERVATION INTERNATIONAL FOUNDATION, USA

FOR A GLOBAL LEARNING AND KNOWLEDGE EXCHANGE PROJECT

January 26, 2015

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Abbreviations and Acronyms

AU	Administrative Unit (of the Climate Investment Funds)
CI	Conservation International Foundation, USA
CIF	Climate Investment Funds
CSO	Civil Society Organization
DGM	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities under the Forest Investment Program
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FIP SC	Sub-Committee of the Forest Investment Program
GEA	Global Executing Agency of the DGM
GEF	Global Environment Facility
GSC	Global Steering Committee of the DGM
IBRD	International Bank for Reconstruction and Development
IDA	International Development Agency
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IPLC	Indigenous Peoples and Local Communities
ISDS	Integrated Safeguards DataSheet
MDB	Multilateral Development Bank
M, L &E	Monitoring, Learning & Evaluation
NEA	National Executing Agency
NGO	Non-governmental Organization
NSC	National Steering Committee of the DGM
PESMF	Programmatic Environmental & Social Management Framework
REDD+	Reducing Emissions from Deforestation and Forest Degradation
SCF	Strategic Climate Fund (one of the two Climate Investment Funds)
TC	Transitional Committee of the DGM
UNFCCC	United Nations Framework Convention on Climate Change
UNPFII	United Nations Permanent Forum on Indigenous Issues
UNREDD	United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation

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Acknowledgements

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PROGRAM DOCUMENT DATA SHEET

World

*Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) including,
a Global Learning And Knowledge Exchange Project*

GLOBAL

GCC – Climate Change Vice Presidency

Report No.: 96333-GLB

Basic Information			
Project ID P128748	EA Category F - Financial Intermediary Assessment	Team Leader Madhavi M. Pillai	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [<input type="checkbox"/>]		
	Financial Intermediaries [<input type="checkbox"/>]		
	Series of Projects [x]		
Project Implementation Start Date 01-Apr-2015	Project Implementation End Date 30-Jun-2020		
Expected Effectiveness Date 01-Apr-2015	Expected Closing Date 31-Dec-2020		
Joint IFC No			
Practice Manager Jane Olga Ebinger	Director James Dominic Edward Close	Vice President Rachel Kyte	
Approval Authority			
Approval Authority Board/AOB Decision			
Recipient: Conservation International Foundation, USA Contact: Susan Stone, Sr. Director, Social Policy and Practice Center for Environment and Peace Conservation International			
Project Financing Data for Global Learning and Knowledge Exchange Project (in USD Million)			
[<input type="checkbox"/>] Loan	[<input type="checkbox"/>] IDA Grant	[<input type="checkbox"/>] Guarantee	
[<input type="checkbox"/>] Credit	[X] Grant	[<input type="checkbox"/>] Other	
Total Project Cost:	4.73	Total Bank Financing:	4.73

Financing Gap:	0.00									
Financing Source			Amount							
Borrower			0.00							
Strategic Climate Fund Grant			4.73							
Total			4.73							
Expected Disbursements (in USD Million)										
Fiscal Year	2016	2017	2018	2019	2020	2021	0000	0000	0000	0000
Annual	0.6	0.9	1.3	1.0	0.93	0.00	0.00	0.00	0.00	0.00
Cumulative	0.6	1.5	2.8	3.8	4.73	0.00	0.00	0.00	0.00	0.00
Institutional Data										
Practice Area / Cross Cutting Solution Area										
Climate Change										
Cross Cutting Areas										
<input type="checkbox"/> Climate Change <input type="checkbox"/> Fragile, Conflict & Violence <input type="checkbox"/> Gender <input type="checkbox"/> Jobs <input type="checkbox"/> Public Private Partnership										
Sectors / Climate Change										
Sector (Maximum 5 and total % must equal 100)										
Major Sector			Sector			%	Adaptation Co-benefits %		Mitigation Co-benefits %	
Agriculture, fishing, and forestry			Forestry			100				
Total						100				
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.										
Themes										
Theme (Maximum 5 and total % must equal 100)										
Major theme			Theme					%		
Social dev/gender/inclusion			Participation and civic engagement					45		
Rural development			Other rural development					30		
Social dev/gender/inclusion			Indigenous peoples					25		
Total							100			

Proposed Development Objective(s)		
<p>The DGM Program Development Objective 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.</p> <p>The objective of the Global Learning and Knowledge Exchange Project is to organize and facilitate knowledge exchange, learning and capacity building for IPLCs 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 regional and global policy fora.</p>		
Components under the Global Learning and Knowledge Exchange Project		
Component Name	Cost (USD Millions)	
i. Global Learning, Outreach and Information Sharing	2.99	
ii. Technical assistance & Secretariat services to the GSC	1.00	
iii. Planning, Monitoring and Reporting	0.74	
Compliance for the Global Learning and Knowledge Exchange Project		
Policy		
Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]
Does the project require any waivers of Bank policies?	Yes []	No [X]
Have these been approved by Bank management?	Yes []	No []
Is approval for any policy waiver sought from the Board?	Yes []	No [X]
Does the project meet the Regional criteria for readiness for implementation? (Not Applicable for Global Project)	Yes []	No []
Safeguard Policies Triggered by the Global Learning and Knowledge Exchange Project *	Yes	No
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

*The Global project's specific activities are unlikely to generate significant safeguards impacts as activities will essentially aim at providing a space and structure for better coordination, knowledge sharing and overall collaboration between IPLC in and outside the program. Moreover, leadership role of IPLCs in the governing body of the program ensures that the main stakeholders steer the program which will lead to positive outcomes on the social side.		
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Legal Covenants			
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Name	Recurrent	Due Date	Frequency
Provisional work plan and budget	No	60 days after Effectiveness	

Description of Covenant The Provisional work plan and budget for the first year of the implementation of the Project shall be provided to the World Bank for its no objection.

Annual work plans and budgets	Yes	March 31 of each year in and after 2016	Annual
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Description of Covenant The Recipient shall submit the annual work plan and budget of the Fiscal Year for World Bank's no objection.

Strategic Plan for Global Project	No	None	
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Description of Covenant The Recipient shall prepare and submit the draft strategic plan to the World Bank for its no objection prior to its submission to the GSC in a timeline acceptable to the World Bank.
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Semi-annual implementation progress reports	Yes	March 15 and September 15 of each year	Semi-annual
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Description of Covenant The Recipient shall prepare and submit to the World Bank semi-annual implementation progress reports on the activities of the DGM Country Component and the Project in a format agreed with the World Bank.
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Conditions			
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Name	Type
Operational Manual	Effectiveness

Description of Condition CI will prepare a project specific Operational Manual, setting forth the policies and guidelines as well as comprehensive operating procedures for the Project. This Manual may be amended from time to time by agreement between the World Bank and CI.

Team Composition			
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Bank Staff			
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Name	Title	Specialization	Unit
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Madhavan Balachandran	Sr Financial Management Specialist	Sr Financial Management Specialist	GSUCA
Hocine Chalal	Lead Environmental Specialist	Lead Environmental Specialist	GENDR
Gerhard Dieterle	Adviser	Adviser	GCCPT
Junko Funahashi	Lead Counsel	Lead Counsel	LEGEN
Veronica Yolanda Jarrin	Operations Analyst	Operations Analyst	GPSOS
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Maria V. Vannari	Lead Operations Officer	Lead Operations Officer	OPSOR

Non Bank Staff

Name	Title	City
Kenneth Green	Safeguards Consultant	
Jorge Uquillas	Consultant (social safeguards)	
Victor Voicu	Institutions and Governance	Bucharest

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Not applicable					

A. GLOBAL CONTEXT

I. FORESTS, CLIMATE CHANGE AND COMMUNITIES

1. **Forests are essential to maintain global carbon balance.** They comprise the largest terrestrial carbon pool and balance the global carbon budget storing nearly 247 gigatons of carbon¹ (45% of terrestrial carbon) in their biomass for decades or longer, releasing it to the atmosphere only when burned or cleared for other land uses. As carbon sinks forests remove around 27% of the annual global CO₂ emissions from the atmosphere, which helps keep the total atmospheric concentration of CO₂ in check and slow down global warming.

2. **Deforestation and forest degradation, however, continue to mobilize GHGs into the atmosphere, disturbing the carbon cycle and contributing to global warming.** Current analyses indicate that globally about eight percent² of all anthropogenic emissions result from loss and degradation of forests. This is a drop from 2006-07³ when forest based emissions contributed to nearly 18% of total emissions. However, this reduction is attributed mainly to the increase in emissions from fossil fuel burning and the cement industry rather than a growth in forest cover or reduced deforestation or forest degradation.

3. **Loss of forests also increases the vulnerability of forest dependent communities.** Global deforestation trends while lower than in the 1990s, are still high - the world has lost about 13 million hectares of forests each year between 2000 and 2010, mostly tropical forests in South America, South East Asia⁴ and parts of Africa where a large number of communities depend on them. It is estimated that forest ecosystems in the tropics are the source of sustenance for around 1.5 billion, mostly Indigenous Peoples and local communities as a source of food, fuel wood, hunting, fishing, non-timber products, shifting agriculture and medicines and, as a source of cultural identity. Notwithstanding a wide spectrum of tenure and rights regimes, many communities see themselves as stewards of forests and have an intricate relationship with the land and its biodiversity. Disturbance of forest ecosystems and their biodiversity results in loss of livelihoods and food sources forcing communities to migrate, resulting in poverty and cultural dispossession, including loss of Indigenous knowledge and skills. Indigenous Peoples are likely to face greater stress due to close cultural and ancestral ties with the forest ecosystems which they are a part of. In many instances their rights to these resources may not be formally recognized or not documented, resulting in a lack of “voice” against competing land uses.

4. **Reducing Deforestation and Forest Degradation (REDD) has emerged as a promising approach that can tackle forest-based emissions and contribute to development outcomes.** The idea of rewarding countries for avoiding deforestation caught the imagination of the

¹Saatchi, S. et al. (2011). Benchmark map of forest carbon stocks in tropical regions across three continents. Proceedings of the National Academy of Sciences, USA. Vol.108 no.24. This estimate is for early 2000s, and of the 247 Gt C, it is estimated that 193 Gt C is stored aboveground and 54 Gt C below ground in roots. One (Gt) Gigaton = 1 billion tons.

² Global Carbon Project (2013) Carbon budget and trends 2013. [www.globalcarbonproject.org/carbonbudget] 19 Nov.2013

³ The Economics of Climate Change: The Stern Review, Cambridge University Press, 2007; The IPCC estimated forest based emissions at 15% of global emissions (IPCC 2007).

⁴ FAO (2010). Global Forest Resources Assessment 2010. Forestry Paper 163. Rome, Food and Agriculture Organization of the United Nations

international community and received strong affirmation in the Stern Review in 2006 which concluded that, ‘*curbing deforestation is a highly cost effective way of reducing GHG emissions*’. Consequently, efforts to conserve forests and slow down, reduce and reverse forest loss have been a part of the UNFCCC negotiations since 2007 through actions collectively referred to as REDD+⁵. While the initial concept focused only on results based payments for “avoided deforestation” the current definition of REDD Plus (or REDD+) by the UNFCCC is more holistic and includes sequestering carbon through forest conservation, sustainable management of forests, and enhancement of forest carbon stocks. It recognizes that climate change mitigation outcomes cannot be achieved without addressing development needs. The approach now includes ‘co-benefits’ or ‘multiple benefits’, most important of which are, biodiversity conservation, improved livelihoods, and safeguards that take into account the rights and cultures of Indigenous Peoples and local communities.

5. In less than a decade REDD+ has grown from an idea to a globally recognized approach, with hundreds of projects funded by ‘interim and fast start finance’ programs of bilateral and multi-lateral agencies. While the concept was first introduced in the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) in Montreal in 2005 it was formally included in the Bali Action Plan (COP 2007). In subsequent UNFCCC COP meetings the REDD+ dialogue moved ahead. At its 19th session in 2013, the COP adopted the Warsaw Framework for REDD+ that builds on the Cancun Agreement on REDD+⁶

6. **A wealth of experience is being generated through REDD+ pilot programs on the ground.** The Forest Carbon Partnership Facility (FCPF), the Forest Investment Program (FIP)⁷, the GEF and the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UNREDD Programme), in addition to bi-lateral and NGO supported programs are implementing REDD projects around the world. Experience from these projects is enhancing the understanding of policy and institutional mechanisms to enable countries to not only reduce deforestation, but also measure, report and verify the gains in forest cover and benefit from performance based payments, if such an agreement were to be reached under the UNFCCC.

7. **Greater voice and role for Indigenous Peoples and local communities would make REDD+ more effective in achieving its goals.** That conservation *and* livelihood objectives can be achieved in forests under Indigenous or community management has been known and promoted for decades, and reaffirmed with more analyses⁸. The lower rates of deforestation in such community managed areas could in turn lead to better climate mitigation outcomes. While

⁵ The original concept presented in COP 11 was, “Reducing Deforestation in developing countries and approaches to stimulate action”. The concept is now referred to as ‘REDD-plus’ or ‘REDD+’ to encompass five useful activities that preserve carbon stored in forests: reducing emissions from deforestation, reducing emissions from forest degradation, and sequestering carbon through forest conservation, sustainable management of forests, and enhancement of forest carbon stocks.

⁶ <http://forests-l.iisd.org/news/cop-19-adopts-warsaw-framework-for-redd/>

⁷ FIP is a targeted program under the Strategic Climate Fund which is part of the Climate Investment Funds.

⁸ Nelson A, Chomitz KM (2011) Effectiveness of Strict vs. Multiple Use Protected Areas in Reducing Tropical Forest Fires: A Global Analysis Using Matching Methods. PLoS ONE 6(8): e22722; and, Porter-Bolland, L., et al. (2011). Community managed forests and forest protected areas: An assessment of their conservation effectiveness across the tropics. Forest Ecol. Manage. (article in press).

community participation at project level is fairly prevalent in forestry programs, it needs to be strengthened significantly at strategic and policy levels. Global climate mitigation and REDD+ efforts are a result of international and national discussions, offering limited opportunities to integrate the ideas and traditional knowledge and expertise of communities. Often, capacity and resource barriers constrain their engagement in these processes. Indigenous Peoples groups have expressed in international forums the need for dedicated resources⁹ to overcome such capacity and resource barriers to their participation on a sustained basis. Such dedicated resources would also facilitate a better understanding and appreciation of Indigenous and traditional knowledge of biodiversity, forest management and agro-forestry which have an important role in the development of robust climate resilience strategies.

II. THE DEDICATED GRANT MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES UNDER THE FOREST INVESTMENT PROGRAM (FIP)

8. The FIP was established in 2009 as one of the four targeted programs under the CIF¹⁰ to provide upfront bridge financing to developing countries' REDD-efforts. The program is currently implemented in eight countries¹¹ where FIP resources are deployed to address key drivers of deforestation and forest degradation for transformational change that can be scaled up. Some of these countries are in the implementation phase of the FIP.

9. The design of the Forest Investment Program (FIP) identified the need for active participation of Indigenous Peoples' and local communities (IPLCs) in the program, in line with ongoing international discussions on the role of IPLCs in REDD+. IPLC observers at FIP design discussions stressed the need for dedicated resources to augment their capacity to participate in FIP implementation. The FIP Design Document¹² recognized that, *"the full and effective, 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"*, and mandated the establishment of a special initiative – a dedicated grant mechanism (DGM) for Indigenous Peoples and Local Communities *"to provide grants to Indigenous Peoples and Local Communities in country or regional pilots to support their participation in the development of FIP investment strategies, programs and projects."*

10. At its 7th meeting on November 2011 the FIP Sub-Committee approved the DGM design proposal as presented by a working group of IPLCs and took note of the request for US\$50 million to finance the mechanism in the current FIP pilot countries. It also took note of the proposed implementation arrangements. It endorsed the fundamental principle of this mechanism that IPLCs

⁹ Anchorage Declaration, 2009; Doha statement, 2012

¹⁰ The Climate Investment Funds (CIF) are a multi-donor partnership established in 2008 to bridge the gap in international climate finance architecture with four targeted programs – the clean technology fund, scaling up of renewable energy program, the pilot program on climate resilience and the forest investment program. The current program funding is US\$ 640 million.

¹¹ Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru. Additional countries may join the program in the future.

¹² Climate Investment Funds. July 2009. Design Document For The Forest Investment Program, A Targeted Program Under The SCF Trust Fund. (www.climateinvestmentfunds.org)

take the lead in designing the program according to their needs and requested the MDBs and the representatives of the IPLCs to further develop the project/program proposals required for approval of FIP funding and operationalization of the grant mechanism. It also endorsed a program structure of a global learning and knowledge exchange component and individual projects in each FIP pilot country, as well as a two tiered governance structure of IPLC-led global and national steering committees.

11. This Program document builds on these FIP Sub-Committee decisions and the foundational design of the DGM while underscoring the complementarity with the Forest Investment Program. It is intended to be applied in the current FIP pilot countries and any new countries that may be selected to pilot the FIP.

12. The World Bank proposes to implement the DGM Program and the Global Learning and Knowledge Exchange project as described in this document. The World Bank was requested by IPLCs to be the implementing MDB of the Program in current FIP pilot countries¹³. Decision on implementing MDB in new countries that may be selected to the FIP will be made at a later date.

III. RATIONALE FOR BANK INVOLVEMENT

13. The rationale for the proposed program is based on the premise that inclusion and participation of Indigenous Peoples and local communities in the implementation of the FIP and REDD+ processes would lead to better results and better development outcomes in the long term. As one of the few targeted grant mechanisms addressing climate change, the DGM provides resources for communities to address climate change mitigation and adaptation as part of an important global development challenge by making decisions on their own initiatives and by enhancing their voice and capacities to partner in policy and strategy dialogues at local, national and international levels.

14. **The program is aligned with the WBG Strategy** and the twin goals of ending extreme poverty and promoting shared prosperity that cannot be achieved without addressing climate change and securing ecosystem integrity. As one of the biggest global development challenges of this decade, climate change will have a disproportionately adverse impact on the poorest and most vulnerable groups. The program reaches out to some of the most marginalized forest dependent communities to support institutional and capacity development for a greater role in policy, strategy processes while enhancing their adaptive capacities and their role in protecting and managing the remaining tracts of tropical forests. The program responds to the pillars of the **World Bank's Forests Strategy (2002)** which are:

- Harnessing the potential of forests to reduce poverty
- Integrating forests in sustainable economic development
- Protecting vital local and global environmental services and values

15. **The DGM builds on the Bank's past and ongoing engagement with Indigenous Peoples and communities** such as the Global Fund for Indigenous Peoples, the Growing Forests

¹³ under discussion in Lao PDR.

Partnership, the Integrated Ecosystem Management in Indigenous Communities (Central America) Regional GEF project, as well as the Global Partnership for Social Accountability (GPSA). It draws on the Bank's experience in community-driven development and capacity building programs as well as social accountability tools, grievance redress and fiduciary systems designed for community managed projects, which place the Bank in a unique position of strength to undertake this program. The DGM will help advance the WBG's recent initiative of mainstreaming citizen engagement in operations. With direct engagement of IPLCs in design and implementation, as well as governance, both at country and global levels, the DGM would be one of the first citizen partnership models in practice.

16. **The Bank has a comparative advantage as a key player in REDD+** through the FIP and FCPF, as well as its development partnership and investment engagement with countries. The Bank is in a favorable position to convene key stakeholders (governments, communities and other development partners) and facilitate constructive engagement on critical issues in the forests and climate change arena. In the context of the FIP and REDD+ in general, the Bank is already playing a leading role, working with governments, partner MDBs and civil society and private sector stakeholders to support the implementation of the FIP investment plans.

B. PROGRAM DESCRIPTION

THE COLLABORATIVE DESIGN PROCESS

17. The DGM design and preparation process has been highly collaborative, with the key stakeholders -the IPLCs and the World Bank working as partners. 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 a global 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 2010-2011¹⁴. These discussions¹⁵ resulted in the DGM Design Proposal¹⁵ 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 Committee¹⁶ of the DGM met with FIP country Focal Points and MDBs in Istanbul, Turkey in November 2012 to discuss the Framework Operational Guidelines that establish the framework to guide the implementation of the DGM at national and global levels¹⁷.

18. Following the Istanbul meeting and further revisions, the co-Chairs of the Transitional Committee finally endorsed the **DGM Framework Operational Guidelines**¹⁸ 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

¹⁴ [Link to global and regional meeting outcomes.](#)

¹⁵ [DGM Design Proposal](#)

¹⁶ A global group of self-selected IPLCs from FIP Pilot countries and two additional members representing other REDD+ countries. The [Transitional Committee](#) serves as the global reference group for the DGM during the preparation of the Program.

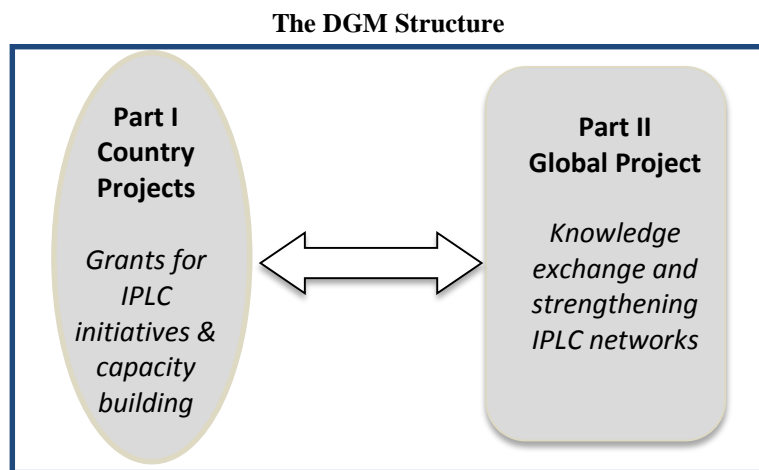
¹⁷ [Update to the FIP SC on the DGM.](#) Climate Investment Funds, January 2013.

¹⁸ [Link](#) - these may be reviewed and updated from time to time by the Global Steering Committee of the DGM.

Guidelines also describe the criteria for grant funding. Each country DGM project may use these Guidelines in their current form or adapt them to their own circumstances, ensuring that the common framework and spirit of the Program are conserved.

19. 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 that supports on the ground activities and capacity building;
- **Part Two of the DGM is a Global Learning and Knowledge Exchange Project (“Global Project”)**- 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.



20. 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 strengthening of IPLC networks and alliances. This project will also serve as a coordinating mechanism among the country projects for learning, monitoring and reporting. At the 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.

21. The World Bank proposes to operationalize this initiative through the Program framework described in this document which will be applicable to DGM projects in the current FIP countries and others that may join in the future. The DGM projects in countries will be aligned with this framework, while taking into account the particular country situation and context.

I. PROGRAM DEVELOPMENT OBJECTIVE

22. The **DGM Program Development Objective** 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.*

23. In the spirit of the DGM's collaborative approach to design and implementation, the DGM Program objective is consistent with the interests and aspirations of the IPLCs expressed in the DGM Design Proposal and the DGM Framework Operational Guidelines. It encompasses the DGM activities which are expected to be carried out at the country and global levels. Individual country DGM projects will define their own objectives, reflecting the country specific context.

24. This DGM program objective will be achieved by (i) establishing and strengthening representative IPLC-led governing bodies for DGM decision-making in FIP pilot countries and at the global level; (ii) providing grants to IPLCs in FIP pilot countries for initiatives consistent with DGM and FIP criteria; (iii) providing training and capacity development in leadership, management and technical skills to IPLCs at country and global levels; (iv) facilitating knowledge exchange and learning on REDD+ and climate change issues between and among IPLCs at regional and global levels; (v) strengthening networks and alliances of IPLC organizations within and across regions; and, (vi) enabling scale up of successful local solutions for forest and landscape management.

Results indicators

25. The following common indicators will be used across all DGM projects to measure the achievement of the DGM Program Development Objective. These indicators reflect the direct engagement and leadership of IPLCs in implementation and governance of the program. Annex 1(A and B) has the detailed results framework for program and definition and purpose of the indicators.

- Percentage of sub-projects successfully completed and achieved their objectives (target :75%) (data from national executing agency)
- People in targeted forest and adjacent communities with increased monetary or non-monetary benefits from forests, disaggregated by gender (number, monitored) (Forestry Core Sector Indicator)
- Percentage of participants in the capacity development activities with increased role in the FIP and other REDD + processes at local, national or global levels. (target: 75%) (data from surveys at country and global levels)
- Percentage of grievances registered related to delivery of project benefits that are actually addressed (Participation and Civic Engagement Core Sector Indicator) (target: 100%) (data from country and global projects)

- Percentage of DGM stakeholders that perceive DGM governance and processes as transparent and inclusive. (monitored)(feedback surveys)

26. Information for the above indicators will be aggregated from all the DGM country projects and from activities carried out at the global level. Monitoring progress against the above indicators will help DGM to contribute to the success of the FIP especially through the “livelihood”, “governance” and “capacity building” co-benefits which were identified as common or other relevant themes in the “Results Monitoring and Reporting in the FIP (FIP/SC.11/6/Rev.1) endorsed by the FIP Sub-Committee on October 30, 2013.

II. BENEFICIARIES

27. The DGM will benefit *forest dependent* Indigenous Peoples *and* local communities and therefore, the primary beneficiaries are referred to collectively as **IPLCs** (Indigenous Peoples and local communities) in all DGM documentation. It needs to be emphasized that IPLCs are more than “beneficiaries” of the program. They are the *proponents* of the program and the *prime movers* of its design, and during implementation they will *preside* over the use of the grant resources at the country level and globally. The DGM recognizes that there are important socio-cultural and economic differences between IPs and LCs and these will be respected during implementation, while at the same time ensuring at the country level that the program is inclusive and reaches out to vulnerable communities –both Indigenous and non-Indigenous.

28. The reference to Indigenous Peoples (IPs) in the Program is based on the World Bank’s Operational Policy 4.10¹⁹ - which describes Indigenous Peoples as a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees:

- self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories⁷
- customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
- an indigenous language, often different from the official language of the country or region.

29. Local communities generally represent the dominant culture and usually share their social traits, values, norms and languages. They often lack political voice and are marginalized, living in remote locations with limited access to economic opportunity and development. For these reasons at the country level the DGM will work with forest dependent local communities as well as Indigenous Peoples.

30. The direct beneficiaries of DGM country projects are IPLCs in FIP pilot countries who will participate in and benefit from the sub-projects funded by the DGM, whereas the Global Learning

¹⁹ Link to [Operational Policy](#)

and Knowledge Exchange Project will directly benefit IPLCs from FIP and other REDD+ program countries.

31. The program is also expected to generate indirect benefits for the wider community both within and beyond the pilot countries by providing public goods through effective contribution to REDD+ policy discussions, especially through the shared knowledge on sustainable management of forest landscapes, governance and the role of communities. While ex-ante estimate of targeted number of direct beneficiaries is not feasible given the demand-driven nature of the DGM, the rigorous Monitoring, Learning, Evaluation and Reporting (M, L, E&R) arrangement will allow the actual number of direct beneficiaries, disaggregated by gender to be captured and reported.

III. THE PROGRAM

32. The Program has two parts – the first part comprises the DGM country projects and the second, the Global Learning and Knowledge Exchange project which serves as an umbrella to the entire program. DGM country projects would have at least two main components:

- **I** - Grants to IPLC organizations for demand-driven, on-the-ground initiatives (sub-projects); and,
- **II** – support for capacity development in leadership, management and technical skills.

33. In addition, to these main components all Country Projects would plan for activities to address DGM related Communications, Project Management and Administration and, Monitoring, Learning and Reporting as well as Grievance Redress at the country level. The allocation of DGM funding to the components would vary between the countries, and the decision would be made during the preparation of the country project, by the DGM National Steering Committee, in discussion with the World Bank.

34. Grant financed sub-projects in the Country Projects will be in line with the objectives of the FIP, and in particular the objectives of the FIP investment plan of the country. On the basis of the DGM Framework Operational Guidelines, activities financed by Country Projects would be in the following two broad thematic areas:

- *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.*

35. 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.

36. **Eligibility Criteria:** Activities to be financed under by the DGM country project grants will need to meet the following criteria:

- i. demonstrate alignment with the objectives of the DGM and the FIP and the thematic areas of the DGM and financial feasibility;
- ii. demonstrate complementarity or synergies with the country FIP investment plan and projects and programs supported under it. Preference may be given to activities that demonstrate synergies with one or more ongoing or proposed FIP investments. However, the nature of the complementarity and synergies may be further defined by each country, taking account of national and local contexts;
- iii. provide evidence that the activities are designed and implemented with the initiative of Indigenous Peoples and/or Local Communities and directly benefit them; Evidence of broad community support for activities involving Indigenous Peoples;
- iv. be based on inclusive and accountable processes, respecting the cultural ways, modes of living, rights and cultural resources of Indigenous Peoples and Local Communities; and,
- v. be compliant with the relevant operational and safeguards policies of the World Bank and relevant country laws;

37. The following activities will be **ineligible** for funding by the DGM:

- i. purchase of land;
- ii. activities carried out in relation to adjudication of lands under dispute;
- iii. 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;
- iv. removal or alteration of any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values);
- v. conversion, deforestation or degradation or any other alteration of natural forests or natural habitats including, inter alia, conversion to agriculture or tree plantations;
- vi. financing of elections or election campaigning; and,
- vii. purchase of arms or ammunition.

38. *Support for Capacity development in leadership, management and technical skills.* This component will 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.

39. **The Global Learning and Knowledge Exchange Project (“Global Project”)**. 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 regional and global policy fora. In addition, the Global Project will provide technical assistance and secretariat services to the Global Steering Committee of the DGM and, monitoring and reporting (see Annex 2 for more details). Subject to availability of resources and consistency with program specific criteria, IPLC participants from countries that are as of June 28, 2014: FIP pilot countries, PPCR and SREP pilot countries, FCPF REDD Readiness Participant countries, and UNREDD National Programme countries which also meet the FIP country eligibility criteria²⁰ may be invited to participate in learning activities. The **Global Project** will have the following three components:

1. Global Learning, Outreach and Information Sharing
2. Technical assistance & Secretariat services to the Global Steering Committee(GSC)
3. Planning, Monitoring and Reporting

40. The first component will focus on (i) global, regional and/or sub-regional training workshops to facilitate participants’ learning from technical experts and from successful community/ Indigenous Peoples’ REDD+ projects, and other issues which the GSC identifies; In addition, it will finance (ii) development of culturally appropriate knowledge resources for use by IPLCs; (iii) strengthening capacities of regional or global IPLC organizations and networks and facilitating their participation in REDD+ and climate change negotiations, including training on international negotiations, and on relevant international policy dialogues and processes; (iv) communications and outreach on the DGM. The following is an illustrative list of training activities which may be supported under this component:

- 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.

²⁰ FIP Design Document (July 2009), page 7, section IV, para 14.

- strengthening capacities of 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.
- 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.
- 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.

41. The second component will focus on providing technical services to the Global Steering Committee of the DGM (see para 51-59) and facilitate its functioning, including a grievance redress mechanism. Activities under this component would be geared toward enabling the GSC to fulfil its role as the overall governing body of the DGM to provide oversight to the program. Given the wide range of functions that the GSC needs to fulfill, a significant portion of the Global project’s activities will be devoted to providing the necessary secretariat services and technical advice to the GSC, including: i) facilitating the establishment of the GSC and preparation of its rules of procedure; ii) secretariat services to the GSC; iii) managing partnerships and external relations; iv) facilitating a grievance redress mechanism for the GSC; and, v) adaptation/ revision of specific provisions of the DGM Operational Guidelines. Until the full GSC is established the Transitional Committee of the DGM will fulfill that role.

42. The third component provides for planning, monitoring and reporting on the results of both the Global Project and the overall performance of the DGM. The activities under this component include: i) strategic planning for the Global Project; ii) monitoring the overall performance of the DGM; iii) compiling and reporting the results of the DGM; and, iv) budgeting, workplan preparation and reporting for the Global Project.

III. LESSONS LEARNED REFLECTED IN THE PROGRAM DESIGN

43. The DGM program design draws on lessons from similar past and ongoing grants programs and community driven development projects, particularly the Critical Ecosystems Partnership Fund 2 (CEPF2), the Growing Forests Partnership, the World Bank Global Fund for Indigenous Peoples, the Global Fund to Fight AIDS, Tuberculosis and Malaria and, the Integrated Ecosystems Management in Indigenous Communities (Central America) project. The following lessons from these operations are reflected in the program design:

44. *The case for IPLC management of grants.* The findings from an independent review of the Global Fund for Indigenous Peoples make a clear case for grants as a very useful mechanism for reaching Indigenous Peoples with much needed resources which help in longer term capacity building and accessing other financial resources as a result. The review also points to the often overlooked aspect of small grants – as a means to help communities and their organizations to define their needs and formulate solutions and to interact with the broader society. A shortcoming of many ongoing small-grants initiatives is that they are executed in isolation and do not benefit from shared experiences. The DGM Program through its Global Learning and Knowledge

Exchange Project and its country projects will strive to ensure that grantees and other stakeholders in different regions and countries have access to learning from shared experiences, which will help them to replicate good practices and scale up where feasible.

45. *Empowerment through leadership in decision-making and program governance:* The positive experience of the Global Fund for Indigenous Peoples which had a governing board of self-selected Indigenous Peoples representatives is an important lesson for the proposed program. The DGM design process was led by the IPLCs Working Group during the early design phase. This leadership role will be continued during preparation and implementation through the global and country steering committees which will have majority representation from the IPLCs. The World Bank will have an observer role in these governing bodies.

46. *Separation of fiduciary functions from fund allocation and beneficiary selection:* This is an important lesson that emerges from other similar programs. National level steering committees or equivalent bodies with representation of the primary stakeholders are best placed to set priorities for the program and make funding decisions. There is potential for conflict of interest and difficulties in implementation when implementing agencies select beneficiaries. Further, in the absence of such key decision-making power, the governing body becomes a symbolic entity rather than an effective institution.

47. *The benefit of capacity building and technical assistance:* Both, the Integrated Ecosystem Management in Indigenous Communities project and CEPF2 present evidence for the need for capacity building in tandem with grant disbursement. This is also a standard practice with most CDD projects financed by the World Bank. Capacity building would be provided under the proposed program, on accounting and financial management, safeguards, project management and developing links to formal institutions and financial services, etc. which will go a long way in institutional strengthening and sustainability.

48. *Opportunities for sharing lessons among beneficiaries:* This was a key finding of the evaluation of the Global Fund for Indigenous People and is addressed the proposed program through a comprehensive menu of activities to foster exchange of experiences across countries and regions, and capacity building on technical, policy and legal issues. The lessons from the Growing Forests Partnership point to the importance of knowledge and experience exchange between communities and, the strength of networks and alliances to influence sub-national and national forest related policies.

IV FINANCING

49. The DGM is a sub-program of the Forest Investment program, allocated with an indicative amount of \$50.0 million in grant resources for the current FIP pilot countries. The indicative allocation is shown in the table below. The total envelope as well as the share of each country was negotiated by the IPLC Working Group and taken note of by the FIP SC in October 2011. The governing body for the DGM in each country will decide the allocation between the components of the country DGM Projects on the basis of country circumstances.

Current Indicative allocation,

FIP Country	(million US\$)
Brazil	6.5
Indonesia	6.5
DRC	6.0
Mexico	6.0
Ghana	5.5
Peru	5.5
Burkina Faso	4.5
Lao PDR	4.5
Global Project	5.0*

*The FIP Sub-committee approved a project preparation grant of \$275,230 from this allocation of \$5.0million leaving a balance of \$4.73million for the Global Project.

V. LENDING INSTRUMENT

50. The World Bank's investment support would be provided through Series of Projects approach [formerly, 'adaptable program loan' (APL)], under a common framework, similar to the World Bank's support [to] the Global Program for Avian Influenza (2005) and the HIV/AIDS efforts in the Caribbean (June 2001). Each FIP country will prepare a stand-alone DGM project under this Program Framework, under the World Bank's policies for Investment Project Financing. This approach gives the program the necessary flexibility to accommodate the socio-cultural and political economy differences across the FIP pilot countries and allows the IPLCs in each country to proceed at their own pace. Secondly, given that all pilots will be aligned with the same framework for the program, the experience of the early movers will help the rest avoid costly mistakes during implementation. Third, there will be flexibility to allow additional countries in to the program, should more countries be invited to participate in the FIP in the future.

C. IMPLEMENTATION

I. GOVERNANCE AND IMPLEMENTATION ARRANGEMENTS²¹

51. The key constituents of the implementation structure are the two Steering Committees – the National Steering Committee (NSC) and the Global Steering Committee (GSC), the decision-making bodies. Both Committees are comprised primarily of Indigenous Peoples and Local Communities. This is a defining feature of the DGM, where IPLCs have a key decision-making role in the program with active support from governments and MDB members. The execution of the program will be the responsibility of the Executing Agencies – National Executing Agencies (NEA) in the countries and Global Executing Agency (GEA) for the Global project. The main advantages of this implementation model are:

- **empowerment** at the country and global level as IPLCs lead the steering committees.

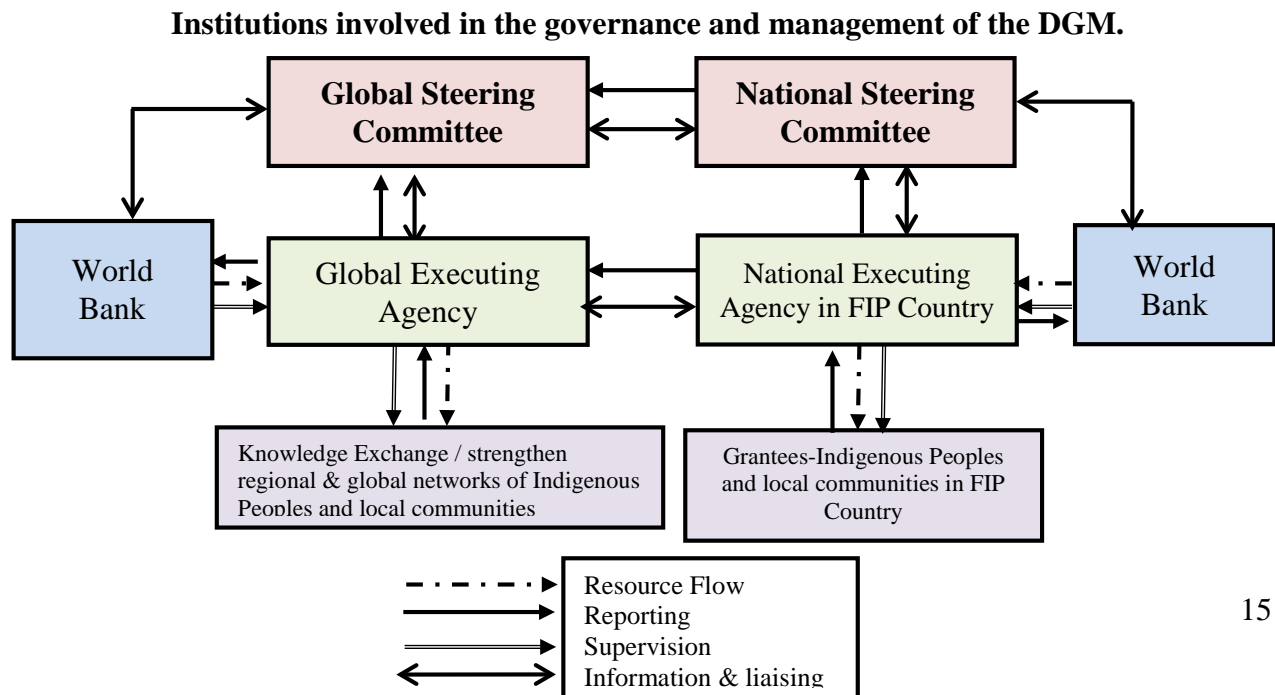
²¹ For details please refer to the [DGM Operational Guidelines](#)

- **flexibility:** IPLCs, governments and other stakeholders in the country work together to define the most appropriate activities under the DGM in the country, in line with the Framework Operational Guidelines. Thus, the pace of the program may be different in each country, without affecting the others.
- **segregation of functions to avoid conflict of interest:** keeps administration and fiduciary functions separate from the decisions related to grant-making.
- **partnerships:** Both the GSC and the NSC are multi-stakeholder bodies, with IPLCs, MDBs and governments, continuing the partnership model of the FIP, where MDBs and governments collaborate on investment planning and implementation.

The Steering Committees

52. The two levels of the program will be governed by two committees - a **National Steering Committee (NSC)** in each FIP pilot country will oversee the DGM implementation in that country and a **Global Steering Committee (GSC)** will oversee the Global Learning and Knowledge Exchange Project, as well as provide intellectual and policy leadership to the DGM and monitor overall implementation. One member and one alternate from the NSC will participate as members in the GSC to provide connectivity between the national and global parts of the program. 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
- 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



53. **Membership of the NSCs** will include both Indigenous Peoples and Local Communities and will be defined based on national circumstances and broad, participatory dialogues with IPLCs. IPLC Members will be representatives from Indigenous Peoples and Local Communities, balanced to the extent possible by geographic area, community/ethnic group/tribe and gender. As appropriate, government representatives may be members of the NSC. In addition, observers will be invited to the NSC from civil society, the private sector and other groups, as appropriate in the country circumstances. A representative of the NEA will support the NSC meetings. Until the establishment of the NSCs in the pilot countries, the members of the Global Transitional Committee may be requested to fulfill the role of NSC members and participate in the GSC as an interim measure. Membership to the NSC [will] be by rotation – every two years.

54. **Government Members** will provide inputs during the NSC meetings on technical soundness, operational feasibility and alignment of proposals with national policies. They will also help the NSC link the DGM activities with relevant rural development/forestry programs in the country to strengthen synergies and explore co-financing for activities. They will enable the NSC to establish linkages with FIP projects and national or regional REDD+ committees and climate change programs to enhance learning and outreach. They will participate in the decision-making process for strategic NSC decisions, but will not take part in the selection of grant proposals for funding by the DGM, which will be decided solely by IPLC members.

55. One **World Bank Member** representing the World Bank may participate in the NSC. The MDB member will provide guidance on technical soundness and feasibility of the proposals and alignment with World Bank policies. The WB member will not take part in the decision-making process of the NSC with respect to selection of grant proposals for funding.

56. The **Global Steering Committee (GSC)** provides intellectual and policy leadership to the DGM and monitors the overall implementation of the DGM. It will report to the FIP SC on the progress of the program. The GSC also has an important role in external interactions with contributor countries and other partners to advocate for IPLCs in international forums on climate change and REDD+. Representatives of the GSC will also assist in disseminating information and raising awareness about the DGM in their countries and in identifying opportunities for additional resources and expansion of the program. The GSC will ensure that the program lessons are widely disseminated. The GSC will mediate complaint and grievance issues if requested by National Steering Committees (NSC). The GSC approves the annual work program to be implemented by the Global Executing Agency (GEA) for the Global Project. The GSC has an important role in external interactions to advocate for IPLCs in international forums on climate change and REDD+.

57. **Membership** of the GSC will be as follows: **Decision-making Members:** One IPLC representative from each FIP pilot country and one representative from a non-FIP pilot country. One additional IPLC representative shall be selected as an alternate to the selected member and, if

needed, the alternate will be called upon to attend GSC meetings or otherwise execute GSC functions.

58. **Non-Decision-making Members:** Two representatives from FIP pilot country governments, two from MDBs (World Bank and one other MDB), one from the FCPF FMT/UNREDD Secretariat, and one from the CIF AU. The role of Non-decision-making Members is to provide technical and global REDD+ and climate change policy inputs to the discussions, provide expert advice, and recommend experts to the GSC. Non-decision-making Members may request the addition of items to the agenda and share relevant information on other REDD+ activities. . They can voice concern that an activity or program proposed for decision by the GSC is not consistent with the DGM Design Document, and they can appeal to the FIP Sub-Committee, as the governing body for the FIP, of which the DGM is part.

59. **Secretary to the Committee** will be the representative of the Global Executing Agency (GEA).

The Executing Agencies

60. In each FIP pilot country a **National Executing Agency (NEA)** will be the secretariat for the NSC. Selection of the NEA will be through a competitive process administered by the World Bank. The NEA will be a not-for-profit and non-state organization that meets the programmatic, fiduciary and safeguards requirements of the World Bank. The NEA will facilitate the work of the NSC, develop country-specific review and risk assessment criteria, and report on its operations to the NSC and the World Bank and report implementation progress to the GEA. The NEA will be responsible for disbursing funds to grant projects selected by the NSC as well as for monitoring grant-funded projects and ensuring appropriate use of DGM funds, in accordance with the operational and safeguards policies of the respective MDB, and will report to the MDB. In addition to applying the DGM Framework Operational Guidelines, the NEA will working with the NSC and the World Bank, develop a supplement of complementary country-specific procedures so that the DGM procedures are tailored to respond to national circumstances and requirements. The NEA will also maintain documentation of the country DGM projects, follow the communications strategy in coordination with the GEA, manage grievance and complaints redress processes, respond promptly to queries, and coordinate with and send information as requested to the GEA.

61. **The Global Executing Agency (GEA)** will provide secretariat functions for the GSC. The GEA will carry out the agreed activities of the Global Project and will have responsibility for the overall communications and outreach activities of the DGM. It will coordinate actively with the NEAs in the FIP pilot countries to develop and apply a monitoring framework and report on the implementation progress of the DGM and coordinate the knowledge and learning exchange and DGM communications. 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.

62. The GEA will also facilitate a grievance redress and complaints mechanism on behalf of the GSC. The GEA is to be selected through a competitive process administered by World Bank. For implementation of the Global Project, the GEA will seek approval of its work plan by the

World Bank and will report to the World Bank on the program, including fiduciary aspects. The GEA will implement activities of the Global Project in compliance with the World Bank's operational policies, including safeguards.

63. The **FIP Sub-Committee** (SC) is the governing body for the FIP and makes policy and funding decisions for 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 CIF AU. The composition and procedures of operation of the FIP SC are documented in the [Governance Framework Document](#) governing the Strategic Climate Fund. The CIF AU provides secretariat functions to the FIP SC and, in that capacity, it is responsible for communicating the decisions of the FIP SC and reporting back on implementation of those decisions.

A. SELECTION CRITERIA FOR DECISION-MAKING IPLC MEMBERS

64. During the selection of IPLC Members, it is suggested that the following criteria be taken into consideration. This is broad guidance and these or other criteria may be used in the countries, based on the judgment of IPLCs.

- i. Members should be from identified groups (Indigenous Peoples, forest dependent communities, traditional communities, tribes, ethnic minority or any other defined group that is dependent on forests for livelihood);
- ii. Members should be representatives of Indigenous Peoples Organizations/Community-based Organizations/federations or associations of Indigenous Peoples/community organizations working on forestry/agriculture/sustainable development or recognized community leaders;
- iii. Members should be recognized community leaders, actively working with communities in the field on issues relevant to the DGM. They should be known and respected for their work on forests and REDD+ issues, working for the rights and 'voice' of vulnerable groups, and known for non-partisanship and transparency in their work.

B. ESTABLISHING THE STEERING COMMITTEES

65. The GEA will facilitate the establishment of the GSC in consultation with the current Transitional Committee of the DGM, the World Bank, FIP country governments, and IPLCs as appropriate. The first step in the process of creating the GSC will be the establishment of the NSCs. Members of the NSC will be selected through a self-selection process which may be facilitated by the World Bank during the country DGM project preparation. Technical assistance from the GEA may be requested by the country's members to the DGM Transitional Committee or by the World Bank, depending on country circumstances. The selection process will be in accordance with procedures determined by the IPLCs in consultation with the MDB and the government, and will be consistent with the FIP Design Document (paragraphs 16.d and 20.b), and its Annex III (Guidelines for Consultation), taking into account principles of equity, inclusiveness and transparency. Existing and traditional decision-making processes and institutions may be used for this purpose where appropriate.

66. The government FIP Focal Points and other stakeholders may be consulted and kept informed during this process. In all cases it is important that the process be inclusive and generates broad support for the NSC's composition. The process should be inclusive and participatory and take into account gender, geographic and other diversity considerations as appropriate in the final composition. The process should be documented and disclosed through the website of the DGM maintained by the GEA or NEA. Additionally, a report on the selection process for the NSC should be sent by the country's DGM Transitional Committee members to the World Bank team in the country.

Decisions related to funding of sub-projects and capacity building activities

67. The eligibility criteria for organizations to access DGM resources, and basic grant award procedures are provided in Annex4. Additional guidance such as templates for call for proposals, is provided in the DGM Framework Operational Guidelines ([Link](#)). In addition to these criteria each country project may develop additional criteria as needed.

Implementation arrangements for the Global Learning and Knowledge Exchange Project (Global Project)

68. The **Global Learning and Knowledge Exchange Project** will be executed by the Global Executing Agency (GEA) under direction from the Global Steering Committee. Conservation International Foundation, USA (CI) has been selected through a competitive process as the GEA. During the first stage applicants that responded satisfactorily to the call for expressions of interest were short-listed. The short-listed applicants then submitted full technical proposals responding to the terms of reference for the task. The selection was completed after evaluation of detailed technical proposals by a panel comprising of members from the World Bank, IADB, Indigenous Peoples' in DGM Transitional Committee and FCPF facility management team.

69. The GEA was given a Project Preparation Grant of \$275,230 to initiate preparatory activities under the Global Project. A description of the GEA capacity and the components and activities proposed under the Global Project are described in Annex 2.

II. LINKAGES WITH THE FOREST INVESTMENT PROGRAM

70. The DGM is a sub-program of the FIP and will be complementary and supportive of the FIP objectives in the pilot country. The DGM is instrumental to achieve the overall FIP goals of among others protecting the rights of indigenous peoples and local communities, contributing to enhancement of rural livelihood and adaptation to the impact of climate change on forests and thus achieving the climate change mitigation outcomes. Through the DGM the FIP and associated REDD+ initiatives will benefit from improved ownership and involvement of IPLCs by (i) providing platforms for community "voice" in local, national and international processes, and increased internal dialogue on potential conflicts, and benefit sharing (ii) creating regional, national and global networks for information sharing and planning. Together, these increased capacities will enhance the effectiveness of FIP investments and national REDD+ approaches and would also incorporate traditional knowledge in strategies and programs aiming at reducing

emission from deforestation and forest degradation. Complementarity and synergies between FIP investment projects and the DGM are assured in many ways including – (i) NSCs will have membership from government FIP/ REDD+ focal points which would help in aligning the DGM grant funded activities with ongoing FIP activities, both thematically and geographically. (ii) NSC members participate in the FIP/ REDD+ coordination committees to strengthen their voice in these forums and reach out to other government agencies for technical and financial resources; (iii) Planning, implementation, monitoring and reporting activities will have built-in reference points and will aim at achieving overall programmatic goals in each pilot country; (iv) Annual FIP stocktaking by the country would include DGM.

III. ALTERNATIVE IMPLEMENTATION MODELS CONSIDERED

71. The allocated FIP grants could have been directly disbursed by the World Bank in each country, however, this option was rejected by the team during preparation. The DGM is a fairly large program of up to \$50 million and processing numerous small grants under World Bank procedures would be very costly and time-consuming. It potentially also would have been seen as an interference with the self-management principle of the DGM and therefore defeating the purpose of the grant mechanism. Focusing on its supervisory role is seen as a more efficient and appropriate role of the World Bank.

72. A single Global Executing Agency for the entire program was considered and rejected: This would have been an efficient approach from the World Bank's perspective, but a large international agency would not be perceived as accessible by the IPLC in the countries, especially in the remote village locations. Secondly, this would not have enabled the IPLC to effectively participate in the selection of the implementing agency or in the national governance of the program. Finally, this idea was rejected for operational reasons – a single implementing agency which fails to deliver agreed results would pose a reputational risk for the entire program. Having an implementing agency in each country allows the mechanism to be tailored to the needs of that particular country.

73. A competitive small grants mechanism like the Development Marketplace was considered and later rejected as this approach would not have allowed for capacity building activities or continued and close engagement with the IPLCs to achieve the objective on knowledge and experience sharing.

74. A single executing agency to manage all aspects of the project in each country was considered but it would not have allowed for separation of fund management and program decision-making functions, which could lead to conflict of interest and potential reputational issues for the program in the countries.

75. The program could have been prepared as a component of the FIP investment projects in each country. This would have reduced the transaction costs for the Bank. However, it would have slowed down the FIP project preparation and, would have defeated the objective and design of the program and, would have added to the complexity at country level as FIP funds are directed to the state whereas DGM funds would go to an executing agency selected by the IPLCs.

IV. MONITORING, LEARNING, EVALUATION AND REPORTING

76. Monitoring, Learning, Evaluation and Reporting (M, L, E&R) are part of core activities of the DGM both at the Global Project and Country Project levels, recognizing these as tools for bringing together diverse stakeholders toward the common development objective of the DGM Program while addressing major risks during program implementation, and ensuring both upward and downward accountability, and enhancing synergies across the program components. These activities will be consistent with the FIP M&R framework as well as the learning mandate of the CIF.

77. A set of common indicators presented in the Annex 1 will be employed to monitor country projects' progress towards achievement of the DGM program objective, allowing data to be aggregated across the Country Projects. While the common indicators will be applied to all subprojects across the pilot countries, this does not restrict task teams of each country to design custom indicators to monitor and evaluate results of their Country Projects given their diverse context. The Country Operational Manuals will specify the formats, custom indicators and frequency for reporting by the grantees and NEA.

78. All stakeholders have roles and responsibilities for robust M, L, E &R as presented in Annex 1. Among others, NEAs of each of the pilot country and the GEA play pivotal roles in collecting, updating and aggregating data. In order for NEAs and the GEA to fulfill such critical roles with sufficient capacity and resources, World Bank (WB) country teams in each pilot country and WB Global DGM Team will provide them with technical support and review the data for quality assurance. WB country teams will also carry out regular supervision of DGM funded activities in each country. An independent review of the projects may also be carried out, if deemed necessary. The GSC and the NSC will provide opportunities to the stakeholders of DGM to review the progress toward PDO against the indicators and discuss lessons learned to apply them to the future project design and implementation. In addition, there may be peer group (other IPLC) monitoring and learning visits.

79. In addition to these standard monitoring and reporting processes, the Program will explore additional, evidence-based learning approaches to ensure that the lessons from the innovative approach to program design and implementation are documented and analyzed and available to inform similar initiatives or scale up the DGM.

V. CHALLENGES, MITIGATION AND SUSTAINABILITY

80. The Bank has a wealth of institutional learning from implementing similar programs (ongoing as well as completed) notable among which are, the Global Fund for Indigenous Peoples (GFIP), the Integrated Ecosystems Management in Indigenous Communities project (P075219), Critical Ecosystems Partnership Fund 2(CEPF2) and the Global Partnership for Social Accountability (GPSA). In addition, there is a vast collection of operational experiences in implementing large community driven development and rural livelihoods projects where thousands of communities receive small grants to implement project activities of their choice. The proposed program benefits from this experience, particularly the lessons learned through the GFIP small grants program with which it has greater similarity. There is considerable institutional

learning through engagement with Indigenous Peoples leaders and organizations in fora such as the UN Permanent Forum on Indigenous Issues and more recently through the dialogues with Indigenous Peoples and forest dependent communities through the FCPF and the FIP, as well as the Regional IP dialogues in the context of the World Bank Safeguards Review. Notwithstanding this experience, there could still be challenges in implementing this program. However, these challenges are manageable and the overall benefits of the program outweigh the risks.

81. At the global level the Program will have a pro-active communications and access to information strategy that will address any Program related misinformation and clarify and set realistic expectations. The overall communications strategy will be implemented by the GEA at the global level starting with an interactive web-based platform. Country Projects will initiate country-specific communications as and when the projects take off. A preliminary outline of the communications strategy is provided in Annex 2.

82. The approach of the Program, of partnering with the intended beneficiaries and key stakeholders throughout the design and implementation of the Program is key feature that addresses challenges usually associated with poor participation and consultation in projects. The strong role of IPLCs in the Program at global and country levels provides an unprecedented opportunity to ensure that the Program meets the needs of the key stakeholders and minimizes the risk of poor design or delivery. Additional challenges that the Program is likely to face and potential mitigation measures are described below.

83. **Country and sector risks:** Country specific risks will be assessed at country level during project preparation using the standard Systematic Operations Risk-rating Tool (SORT) for World Bank investment operations. In addition to the standard country risk profile, Bank teams will assess specific sector risks within the country and propose mitigation measures.

84. **Bank - Country Relationship.** The first concerns the proposed approach of direct engagement with IPLCs, which is a departure from the Bank's normal practice of engagement with countries. This is not an entirely new approach as some GEF financed projects have followed a similar path. This is mitigated by the fact that the DGM is an integral part of the FIP and each pilot country in its FIP investment plan recognizes the DGM as part of the programmatic approach of FIP in the country. Further, FIP countries, are represented in the FIP Sub-Committee and provide their 'no objection' in this capacity. Country FIP focal points have been involved in the development of the Framework Operational Guidelines for the program and have participated in regional and global meetings with IPLCs during the design phase. Government participation in the Steering Committees at country and global levels would promote constructive engagement and reciprocal participation of IPLCs in national REDD+ and FIP forums in the Pilot countries.

85. **Unrealistic expectations.** The program could raise expectations beyond its means regarding the volume of grant funding that could be accessed, the geographic spread within a country or the nature of activities it would finance. For example, it would be unrealistic to expect the Program to resolve at scale land tenure issues which are contentious and have been at the forefront of Indigenous Peoples concerns for a long time in some FIP countries. Early discussions with key stakeholders at the start of project preparation in the countries will help ensuring

expectations are realistic. Additionally, dialogue with governments and other programs to help leverage funds from similar initiatives would be used to fill the gaps where feasible.

86. **Complex delivery mechanism.** There could be two risks with the proposed implementation mechanism – (i) the National Steering Committees may not be equipped to deliver quickly in their new roles, due to lack of prior experience; (ii) coordination between the institutions at the country level and the global level could be a challenge leading to slower decision-making and exchange of information. This implementation model has been deliberately designed to enhance the role of IPLCs in the decision-making processes and is essential to the success of the program. These operational risks will be mitigated through systematic communication and training to the NSCs and the GSC as needed.

87. **Conflicts and elite capture.** There is a risk of conflict among stakeholder groups – Indigenous Peoples and Local Communities, CSOs and others - around the share of resources by specific groups or roles in the NSC. Elite capture of Program benefits or exclusion of IPLCs with lower levels of capacity is another area which poses a risk to the Program at country level. Ensuring that the process of selection of NSC members is democratic and documented, and ensuring that the governance of the Country DGM projects by the NSCs is transparent and fair would help in addressing the challenge related to elite capture. At the country project level the Operational Guidelines provide guidance on screening for fiduciary and other capacities of sub-project proponents, and tailor the funding accordingly. A program level conflict resolution and grievance redress system will be established to ensure that these issues are recognized and addressed as they arise, at the program level. However, it needs to be noted that it may not be possible to entirely eliminate the risk of conflict among Indigenous Peoples or between Indigenous Peoples and Local Communities during implementation and this remains a residual risk for the program.

88. **Sustainability.** The available resource envelope for the Program is limited given the scale of the issues and the geographies it is targeting. Yet, the Program’s potential is recognized by the main stakeholders and the current design with a robust governance and fund management system allows it to grow and sustain even after the current round of funding as it is amenable to absorbing funding from other sources. Given the intensive effort and resources invested in establishing the governance structures, it would be a missed opportunity for the mechanism to be a short-lived phenomenon. The IPLCs in pilot countries are fully aware of the potential of the DGM to serve as a platform to reach out to new partners and indicate their interest in outreach efforts.

VI. GRIEVANCE REDRESS MECHANISM

89. To help address issues in a timely manner, at the level they arise the executing agencies of the program will have the responsibility of managing a grievance redress mechanism under the direction of the respective steering committees.

90. **Pro-active Communication and Access to Information** will be the first steps in this process. The NEAs and the GEA will maintain open lines of communication and actively reach out to the stakeholders. Easy access to culturally appropriate information on the program, grant-funded projects, status of project proposals under review, and contact points are made available to interested parties. Information will be provided on the GEA and NEA websites as well as other

culturally appropriate means of communication in the countries. Documents and reports will be translated into French, Spanish and Portuguese as necessary. Information and updates on key project processes, such as selection of NSC members, selection of NEAs in the countries will be made accessible on website of the GEA.

91. The DGM will have a three step grievance redress mechanism managed by the NEAs at the country level and the GEA at the global level that will:

- i. Record and acknowledge complaints received;
- ii. Encourage immediate, on-the-spot resolution of issues; and,
- iii. Provide reports in the public domain on complaints received and actions taken.

92. **Record and Acknowledge Complaints:** All NEAs and the GEA will assign a staff member to receive and acknowledge complaints and feedback, after ascertaining that the complaint is related to the DGM. 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, detailing the next steps to be taken.

93. **Resolution and Closure:** In each instance, the written response will indicate which entity (i.e. the NEA, NSC or GSC) will handle the complaint. 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. 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. The appropriate entity will record all outcomes in writing. The Grievance Sub-Committee of the NSC will offer independent mediation or alternative dispute resolution as an option in all instances.

94. **Provide reports in the public domain on complaints received and actions taken.** Whether agreements are reached through direct conversations or mediation, all supporting documents of meetings needed to achieve resolution should be part of the file related to the complaint. At all stages of the process the NEA will keep the World Bank team in the country and the GEA informed and maintain a comprehensive record of all correspondence and decisions on the issue.

D. APPRAISAL SUMMARY FOR COUNTRY PROJECTS

95. Each country DGM Project (i) will follow the endorsement of the FIP investment plan for that country; (ii) will be consistent with the FIP objectives as in the FIP Design Document and the DGM Framework Operational Guidelines; and, (iii) will seek FIP funding approval by the FIP Sub-Committee by appraisal completion.

96. Country project Preparation and Supervision will be coordinated closely with the government and the FIP MDB partners in the country. Preparation of each country program will be preceded by extensive dialogue with key stakeholders and the government FIP focal point to align the DGM closely with IPLC priorities and the objectives of the endorsed FIP investment plan

for the country. Key requirements during preparation will be the establishment of the National Steering Committee (NSC) and the identification of a National Executing Agency (NEA) before project appraisal, through a competitive selection process (see guidance in Annex 5 - Guidance Note: Selection of National Executing Agency). Country program supervision will be carried out by World Bank teams as per Bank policy for supervision of investment finance operations.

I. TECHNICAL

97. The primary purpose of the DGM funding in the countries is provision of grants for capacity building and financing of on-the-ground activities of the communities’ choice, within the framework of the FIP. A majority of the activities to be financed within the two thematic areas would be considered ‘no regrets’ activities, which have been implemented in other projects worldwide. The choice of activities will be made by the communities themselves, and screened against eligibility criteria set in the Framework Operational Guidelines, which would make the country projects technically sound. In addition, country projects will ensure that:

- Selection of National Steering Committee (NSC) members is inclusive and broad based, taking into account the most vulnerable among the stakeholders;
- NSC members will be representatives from Indigenous Peoples and Local Communities, balanced by geographic area, community/ethnic group/tribe and gender.
- The selection process will be well documented and available in the public domain;
- The NEA will be selected through a competitive process, as per the guidance provided in Annex 5.
- The terms of reference provided in Annex 5 will be used as the common TOR for NEA’s and additional country –specific requirements and selection criteria added as appropriate.

II. FIDUCIARY

98. Financial management assessments will be undertaken in connection with each country project to be financed under the Program in accordance with the requirements of OP 10.02. For each project, the Bank requires the Recipient (the National Executing Agency) to maintain financial management arrangements that are acceptable to the Bank and that, as part of the overall arrangements that the Recipient has in place for implementing the operation, provide reasonable assurance that the proceeds of the loan/credit/grant are used for the purposes for which the loan/credit/grant was granted. Minimum internal controls, including internal audit, should be available prior to flow of funds. On this basis, appropriate financial management arrangements will be designed for each project, which would be consistent with World Bank and region specific requirements, and will be described fully in each PAD. Each country project will have an Operational Manual that describes the financial management, accounting and reporting responsibilities of the NEA (Grant Recipient) and sub-grant recipients (project beneficiaries). The World Bank financial management specialist will review and approve the country Operational Manual prior project appraisal.

III. SOCIAL AND ENVIRONMENTAL ASPECTS FOR THE COUNTRY PROJECTS

Safeguards Policy	Triggered?	Safeguards Policy	Triggered?
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Environmental Assessment OP/BP 4.01	Yes	Indigenous Peoples OP/BP/4.10	Yes
Natural Habitats OP/BP 4.04	Yes	Involuntary Resettlement OP/BP 4.12	Yes
Forests OP/BP 4.36	Yes	Safety of Dams OP/BP 4.37	Yes
Pest Management OP4.09	Yes	Projects on International Waterways OP/BP 7.50	Yes
Physical and Cultural Resources OP/BP 4.11	Yes	Projects in Disputed Areas OP/BP 7.60	Yes

Environmental Category: FI (Financial Intermediary Assessment)

99. The program is classified as financial intermediary (FI) because of the nature of sub-project granting activities. Each country level DGM operation will be subject to specific safeguards review and oversight on the safeguards aspects in particular on the basis of their specific activities and contexts. The program is expected to finance activities that have a net positive impact on the environment, especially forests and natural habitats. However, to mitigate any likely risks, the executing agency should include staff who have experience with design and implementation of environmental and social safeguards procedures. This staff will, in addition, receive specific training on World Bank Policies and Procedures. The safeguards screening documents completed by beneficiaries with assistance from the executing agency for the first three sub-projects will be reviewed by the Bank prior to approval of these sub-projects. In addition, a program level grievance and mediation mechanism will be established for first level response for complaints.

100. Considering the need to ensure consistency between the different DGM country projects a Program level Environmental and Social Management Framework (PESMF) has been prepared and, upon disclosure, will be used as a common basis for the development of project specific environmental and social safeguards approach. The overall safeguards approach was discussed with the global transitional committee of the DGM (Annex 7) in its meeting in Istanbul in November 2012. The Program level Environmental and Social Management Framework is designed to be used as the operating safeguards umbrella for each DGM country program. Each DGM country project will be guided by a Bank 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 several checklists and other guidance to assist in the development of the Environmental and Social Management Framework/Environment and Social Management Plan. The PESMF is a living document and will be updated or revised as necessary during the implementation of the DGM.

101. Given that Indigenous Peoples will be the targeted beneficiaries sub-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 and have broad community support of IPLCs. Demand driven 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, and Indigenous Peoples Plan, if the provisions of the policy are met.

E. APPRAISAL SUMMARY FOR THE GLOBAL LEARNING AND KNOWLEDGE EXCHANGE PROJECT

I. TECHNICAL ASSESSMENT FOR THE GLOBAL LEARNING AND KNOWLEDGE EXCHANGE PROJECT

102. The project is technically sound as it responds directly to the mandate in the FIP Design document, to fill a gap in capacity strengthening for informed involvement of IPLCs in climate change and REDD+. The project is based on the direct input and collaboration of the Global Transitional Committee of Indigenous Peoples and Local Communities (TC) which as the main reference group has been continuously involved in all stages of its preparation. The TC also reviewed and discussed the preliminary proposal for activities under the Global Project during its meeting on September 17-19, 2014 in Washington DC²², confirming that the project design is valid and the proposed components meet the needs of the stakeholders while being aligned with the objectives of the DGM design proposal and the FIP design document.

II. FIDUCIARY ASSESSMENT FOR THE GLOBAL LEARNING AND KNOWLEDGE EXCHANGE PROJECT

103. **Financial Management:** An onsite visit of Conservation International (CI) at 2011 Crystal Drive, Arlington, VA, USA was undertaken on November 17, 2014 to conduct a review of their Financial Management and Procurement capacity. A detailed review is included in Annex 3. Principal conclusions of the assessment are the following. Financial Management Activities, which include accounting, financial reporting application and monitoring of internal controls, flow of funds, budgeting and coordination with the internal and external auditors will be carried out by Conservation International, the Global Executing Agency for the Global Learning and Knowledge Exchange project of the DGM, which will be responsible for the implementation of the said project.

104. Grant financial and substantive progress reports will be used for Project Monitoring and implementation support. The agreed template for these reports will be included along with the Disbursement Letter. CI, as Global Executing Agency, will submit financial reports on financial aspects of the Global Learning and Knowledge Exchange Project within 60 days after each semi-annual period supported with substantive progress reports on a semiannual (Jun/Dec) basis throughout the life (5 Yrs.) of the Project. Annual project financial reports following CI's fiscal year will be audited in accordance with terms of reference acceptable to the World Bank, by an independent external auditor also acceptable to the World Bank. Such audit reports will be

²² See report of the [DGM Transitional Committee Meeting report- September 2014](#)

submitted to the World Bank not later than six months (Dec) after the end of the period (July to June).

105. The Bank FM assessment of CI’s current financial management arrangements confirms their reliability and their adequacy for the SCF-FIP DGM Grant administration is satisfactory. In addition, CI has been managing other World Bank grants and the FM is satisfactory and complies with World Bank OP/BP 10.0. No mitigation measures are proposed. In order for financial management arrangements to be satisfactory CI will be expected upon signature of grant agreement to i) use the CI’s pooled account with separate ledger account opened to manage the SCF-FIP DGM grant, ii) submit a letter of Authorization providing a specimen of signatories of persons who will be signing Withdrawal Applications (WA); and iii) request access to client connection system and tokens for electronic submission of withdrawal applications from the World Bank Chennai CTRLN unit (see Annex 2 for full FM assessment). Overall risk rating is low.

106. **Procurement:** Procurement of consultant services will follow the “Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published in January 2011 (Consultant Guidelines) and the latest Guidelines on Preventing and Combating Fraud and Corruption in Project financed by IBRD Loans and IDA Credit. This requirement does not apply to services provided by the Recipient’s employees. Such services will be supported by a terms of reference that will be cleared by the task team leader under a prior review procedure. Since CI has a very robust procurement system that complies with the World Bank’s guidelines, procurement of goods and non-consulting services under Training, Workshops and Seminars and operating costs will follow the administrative procedures of the grant recipient. Overall risk rating is low.

III. ENVIRONMENTAL AND SOCIAL ASPECTS FOR THE GLOBAL LEARNING AND KNOWLEDGE EXCHANGE PROJECT

107. The Global project’s specific activities are unlikely to generate significant safeguards impacts as activities will essentially aim at providing a space and structure for better coordination, knowledge sharing and overall collaboration between IPLC in and outside the program. Moreover, the leadership role of IPLCs in the governing body of the program ensures that the stakeholders steer the program which will lead to positive outcomes on the social side.

Safeguards Policy	Triggered?	Safeguards Policy	Triggered?
Environmental Assessment OP/BP 4.01	No	Indigenous Peoples OP/BP/4.10	No
Natural Habitats OP/BP 4.04	No	Involuntary Resettlement OP/BP 4.12	No
Forests OP/BP 4.36	No	Safety of Dams OP/BP 4.37	No
Pest Management OP4.09	No	Projects on International Waterways OP/BP 7.50	No

Physical and Cultural Resources OP/BP 4.11	No	Projects in Disputed Areas OP/BP 7.60	No
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DEDICATED GRANT MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES (DGM)

ANNEX 1A: DGM PROGRAM RESULTS FRAMEWORK

1. Common Indicators for the country projects

Following five common indicators measuring DGM outcome will be applied to all Country projects in FIP pilot countries. In addition to these common indicators, task teams may add custom indicators in their results framework of Country projects given their diverse context. Annex 1B has guidance on definition of the common indicators.

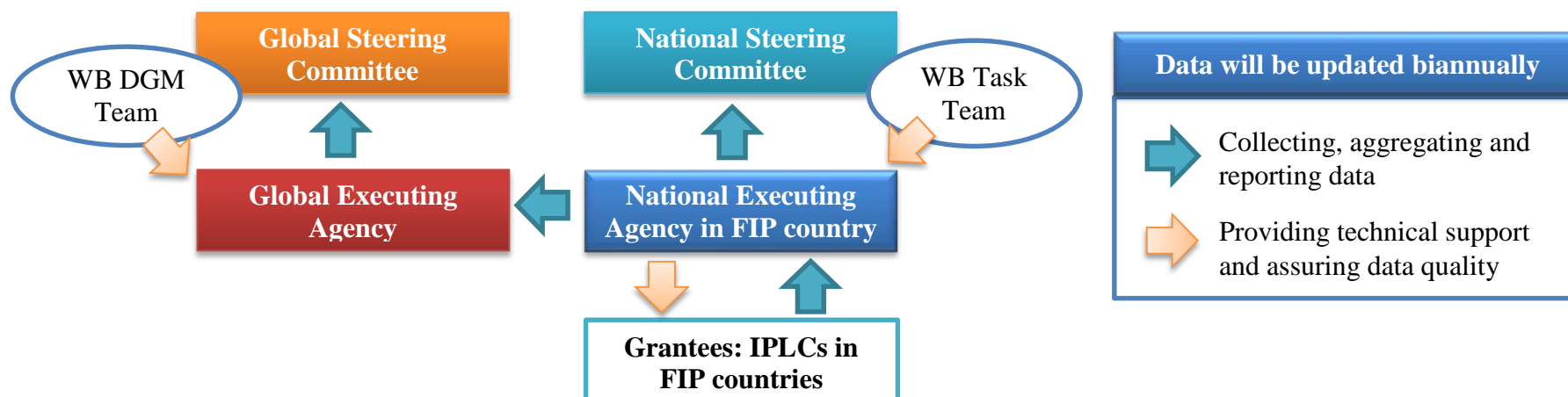
Program Objective	FIP Themes contributed by DGM	Common Indicators	Target	Use of Data
To strengthen the capacity of Indigenous Peoples and Local Communities (IPLCs) to participate in the Forest Investment Program and other REDD+ programs at local, national and global levels	Livelihood Co-benefits	1. % of sub-projects successfully completed and achieved their objectives which are consistent with FIP objectives.	75%	<ul style="list-style-type: none"> Captures level of success of sub-projects led by IPLCs Promoting learning on what works and what does not, and applying lessons learned to the future project design and implementation.
	Capacity Building	2. People in targeted forest and adjacent communities with increased monetary or non-monetary benefits from forests, disaggregated by gender (number) (Forestry CSI)	Monitored	<ul style="list-style-type: none"> Captures scale of sub-projects' monetary and non-monetary benefits. Incentivizing active participation and involvement of females in activities.
	Capacity Building	3. % of participants in the capacity development activities with increased role in the FIP and other REDD + processes at local, national or global levels.	75%	<ul style="list-style-type: none"> Captures level of success of the activities for capacity building through ex-post surveys to the participants Promoting learning on what works and what does not, and applying lessons learned to the future activity design and implementation
	Governance	4. % of grievances registered related to delivery of project benefits that are actually addressed (Participation and Civic Engagement CSI)	100%	<ul style="list-style-type: none"> Measuring the effectiveness of transparency and accountability mechanisms established by DGM. Helping the task team to address stakeholder risk.
	Governance	5. % of DGM stakeholders that perceive DGM governance and processes as transparent and inclusive.	Monitored	<ul style="list-style-type: none"> Captures level of representation, equity and transparency of the governance structure through stakeholder surveys. Helps address risk of conflict among stakeholder groups.

2. Specific Indicators for the Global Learning and Knowledge Exchange Project (Global Project)

PDO of Global Project	FIP Themes contributed by DGM	Indicators	Target	Use of Data
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	Capacity Building	1. Number of knowledge products produced by the DGM grant recipients and/or beneficiaries in pilot countries presented at the regional and/or global knowledge exchange opportunities	Monitored	<ul style="list-style-type: none"> • Capture level of knowledge exchanges (in the form of reports, presentations, videos, speeches etc.) based on the lessons learned on the ground. • Enhancing synergy between the Country Projects and Global Project, and incentivizing stakeholders of DGM to facilitate knowledge exchange.
		2. % of participants in the learning and knowledge exchange activities belonging to REDD+ programs and countries other than FIP pilot countries	Monitored	<ul style="list-style-type: none"> • Promoting participation in the platform for exchanging knowledge and networking from countries other than FIP pilot countries.
		3. Number of activities/alliances emerged through the global platform with the leadership role of IPLCs	Monitored	<ul style="list-style-type: none"> • Capturing the impact of the platform on enhanced leadership and strengthened alliance of IPCs by ex-post surveys to the participants.

3. Institutional Arrangement for Monitoring, Learning, Evaluation and Reporting

The following charts illustrate the standard institutional arrangement for monitoring, evaluation and learning in the DGM. The task teams of each FIP pilot country may lay out further detailed arrangements in the County Operation Manual.



Stakeholder	Roles and Responsibilities
Grantees	<ul style="list-style-type: none"> Update and provide raw data (e.g. number of beneficiaries) and reporting to the NEA Draft the results stories and submit them to NEA.
NEA	<ul style="list-style-type: none"> Collecting, updating and aggregating the raw data on sub-projects and activities for capacity development with the inputs from grantees, and report them to the NSC, World Bank team and GEA semi-annually. Help grantees draft “Result Stories” presented to the global platform organized by the GEA. Assess if sub-projects funded by DGM achieved their objectives. Provide technical supports to grantees for defining, measuring and presenting the results, assuring the data quality and review the drafted results stories.
NSC	<ul style="list-style-type: none"> Review progress of all sub-projects/activities against indicators with the inputs from NEA. Discuss lessons learned to apply them to the design and implementation of future projects.
GEA	<ul style="list-style-type: none"> Collect, update and aggregate raw data on the global project (e.g. number of results stories) and report them to the GSC and World Bank.

Stakeholder	Roles and Responsibilities
	<ul style="list-style-type: none"> • Compile and aggregate data submitted by the NEAs of the Country Projects and data collected on the Global Project and report them to the GSC and the World Bank semi-annually.
GSC	<ul style="list-style-type: none"> • Review progresses of DGM funded sub-projects and activities against indicators based on the inputs from GEA. • Discuss the lessons learned to apply them to the design and implementation of future projects.
WB country DGM Team	<ul style="list-style-type: none"> • Provide technical supports to NEA for defining, measuring and reporting the results, assuring the data quality and review the drafted results stories. • Review the evaluation on sub-projects made by the NEA.
WB Global DGM Team	<ul style="list-style-type: none"> • Provide technical support to GEA for defining, measuring and reporting the results;

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

ANNEX 1B: GUIDANCE NOTE ON DGM COMMON INDICATORS

1. The purpose of this note is to provide preliminary guidance to task teams and the GEA on the definition and data collection methodology for the common indicators. While recognizing the diverse context of each pilot country, having common indicators together with shared understanding on their definition and methodology will be important for the DGM to aggregate data on results across projects, share progress and lessons among stakeholders, and fulfill collective accountability to the FIP. The common indicators are not expected to replace country and project specific indicators. The common indicators may be intermediate or component level indicators for the country projects. Guidance on the common indicators and data collection methods will be further elaborated by the GEA in collaboration with the NEAs through a common reporting framework.

2. As noted in the Program Document of the DGM, **five common indicators presented section 1 of Annex 1 need to be employed by all DGM country projects** for monitoring sub-projects' progress towards collectively achieving the global DGM objective. Of these five indicators two are core sector indicators for Forestry (2) and for Participation and Civic Engagement (4).

Common Indicators for country projects



3. Use of the indicator: This indicator is for capturing the level of success of sub-projects funded through DGM, promoting learning on what worked and what did not, and applying lessons learned to the future project design and implementation.

4. Definition: The team will assess if the sub-project “successfully completed and achieved their objectives”, based on the following criteria; (i) activity completed; (ii) fund disbursed; and (iii) results achieved.

(i) Activities completed: All activities presented in the proposal of the sub-project are completed within the project period.

(ii) Results Achieved: Target(s) of indicator(s) on the sub-project objective is mostly achieved. To be considered as “successfully completed and achieved their objectives”, the sub-project needs to fulfill both criteria, as documented the by National Executive Agency (NEA) and reviewed by National Steering Committee (NSC) in each pilot country. For the results to be considered as “mostly achieved” by the sub-projects the teams and NSC and NEA may decide what may be appropriate in each country project, based on the nature of activities financed.

5. This is a core sector indicator for **Forestry** and needs to be included.

6. Use of the indicator: This indicator is for capturing the scale of sub-projects/activities' impact, including both monetary and non-monetary benefits, as well as incentivizing active participation and involvement of women in the sub-projects/activities. Non-monetary benefits may include improved access to forests, improved clarity of tenure, improved understanding or awareness of forest-climate policies and negotiations, etc.

7. Definition: "People" are those who directly participate in interventions funded by the DGM and derive benefits from them. Persons who benefit from interventions without directly participating in the activity should not be counted (i.e., community members receiving media outreach or radio broadcasts funded by DGM). When estimating the number of people trained, it is essential to avoid double counting – that is, if same individual participates in a series of similar training events he/she is counted only once;

8. Data Source: Data provided by grantees to the NEA

9. This is a modified version of the core sector indicator for Social Inclusion which is: *Vulnerable and marginalized beneficiary population who participate in non-project consultations and decision making forums (%)*.

10. Use of the indicator: This indicator is for capturing the level of success of the activities related to capacity building which is a priority for the DGM.

11. Definition: The denominator of this indicator is all participants (net counting) who directly participate in capacity development activities funded by the DGM, and the numerator is the number of participants who respond in an ex-post survey or an interview on whether their role or influence in FIP and other REDD+ processes increased compared to before participating in the activities. The survey or interview captures the response ("yes" or "no"), along with supporting anecdotal evidences.

12. Data Source: Data captured through interviews and feedback surveys conducted by the NEA

(4) Grievances registered related to delivery of project benefits that are actually addressed (%)

13. This is a core sector indicator for **Participation and Civic Engagement**.

14. Use of the indicator: This indicator is for measuring the effectiveness of the accountability as well as transparency mechanisms established by DGM and to help address stakeholder risk.

15. Definition: Project monitoring systems in each pilot country should provide information on (a) the number of grievances made and (b) the number of these grievances that are resolved. This indicator will be a simple percentage of these two numbers, allowing projects to make a statement such as “x percent of grievances received through project redress mechanisms were resolved”. Further information, for example that captures the nature of grievances, or plaintiffs’ satisfaction with the outcome, will be beyond the scope of this indicator.

16. Data Source: Data captured through grievance redress focal point within the NEA.

(5) % of DGM stakeholders that perceive DGM governance and processes as transparent and inclusive.

17. Use of the indicator: This indicator is for capturing the level of representation, equity and transparency of the DGM governance structure through stakeholder surveys and helping the task team address the risk of conflict among stakeholder groups.

18. Definition: Stakeholders includes grantees, members of NSC (National Steering Committee) and GSC (Global Steering Committee), IPCLs that present proposals to DGM for funding and government representatives involved in the FIP and DGM in the countries. “Transparent” is defined in terms of timeliness, accessibility and scope of the disclosure of the DGM related information and materials to the public at the country and global levels. “Inclusive” is defined in terms of the intensity, frequency and accessibility of DGM related processes through the program cycle. Surveys could capture direct “yes” /“no” answers for both “transparency” and “inclusiveness” with supporting anecdotal evidence.

19. Data Source: Data captured through an annual survey in countries.

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

ANNEX 2: DETAILED DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS FOR THE GLOBAL LEARNING AND KNOWLEDGE EXCHANGE PROJECT (“GLOBAL PROJECT”²³)

1. The **Global Learning and Knowledge Exchange Project** is a platform for capacity building and strengthening networks and partnerships among and between IPLC organizations and serves as a chapeau or umbrella for the program as a whole, including the country DGM projects. The **objective** of this project is to organize and facilitate knowledge exchange, learning and capacity building for IPLCs 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 regional and global policy fora. It will also serve to take the learning and knowledge from the DGM to a wider IPLC community. The project will finance the following components and activities:

- i. Global Learning, Outreach and Information Sharing**
- ii. Technical assistance & Secretariat services to the GSC**
- iii. Planning, Monitoring and Reporting**

i. Global Learning, Outreach and Information Sharing (\$2.99 million)

2. Trainings and South-South exchanges of regional or global relevance, the strengthening of networks of IPLC organizations and representation of IPLC networks or alliances in global forums are some of the activities envisaged for the Global Learning, Outreach and Information Sharing component. In the future, this component may develop into a platform for the convergence of similar initiatives for REDD+ as well as other emerging climate finance instruments. Activities implemented will have a global or multi-regional scope and outreach and will include:

- a. **global, regional and/or sub-regional training workshops** to facilitate participants’ learning from technical experts and from successful community/ Indigenous Peoples’ REDD+ projects, for example, on benefit sharing, participation in national REDD+ Readiness processes; climate-smart agriculture, sustainable forest management, and other issues which the GSC identifies;
- b. **culturally appropriate knowledge resources for use by IPLCs globally**, in the form of, among others, 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;
- c. **strengthening capacities of regional or global IPLC organizations and networks**

²³ The Global Project pertains to the ‘Global Component’ described in the Framework Operational Guidelines of the DGM.

and facilitating their participation in REDD+ and climate change negotiations, including training on international negotiations, and on relevant international policy dialogues and processes. To design the most responsive set of activities possible, an initial consultative process will be carried out with global and regional IPLC networks and National Steering Committees (NSCs) to develop and implement an assessment methodology to determine priority needs and gaps among and within existing IPLC networks.

- d. **communications and outreach** for the DGM, including a website and other appropriate online communication tools will be an important part of the Global project. The Global Project is designed to address knowledge management and capacity building needs at the regional and global levels. Communication and coordination among the DGM pilots are an important input to ensuring that the capacity building and learning activities designed under the Global project are relevant and reflect the needs and lessons from country DGM projects. The GEA will design a global communications and outreach strategy for approval by the GSC and coordinate with the NEAs on ensuring consistent messaging. The global communications and outreach strategy will leverage traditional and digital media. A preliminary communications plan, including a web-site and logo will be developed and circulated to the TC members for comment prior to the first GSC meeting. The GEA will design and develop a global DGM website, which will serve as the hub for communications and outreach activity. The website will organize information and facilitate knowledge exchange, learning, and capacity development to increase the participation and learning of DGM grantees and other IPLCs from both FIP and non-FIP countries working on REDD+. The website will focus on bringing the voices of DGM IPLC grantees to a global platform to share lessons learned, challenges, and progress, promoting such innovative techniques as digital storytelling. The GEA will coordinate with the NEAs to ensure that digital content generated at the national level will flow effectively to the global website and that non-digital content will be available by means of other global information tools that may be developed to ensure the availability of culturally appropriate knowledge resources for use by IPLCs globally.
- e. **Database of the DGM's activities, knowledge products, events and results.** The GEA will establish a database and repository for DGM activities and products for both the global project and also for the country projects, based on information provided by the NSCs and NEAs of the pilot countries. The GEA will coordinate with the NEAs of the FIP pilot countries to ensure an on-going flow of up-to-date information on the events, product and access to results of the DGM through information provided on the global website or through linkages to websites/information repositories created at the national level.

ii. **Technical Assistance and Secretariat Services to the GSC (\$1.0 million)**

3. The GSC is the governing body of the DGM and provides strategic oversight and intellectual and policy guidance to the program. It will be composed of a majority of IPLC members drawn from the DGM National Steering Committees in FIP pilot countries. Observers in the GSC could include one or more MDBs, UNPFII, some FIP country governments and one or two members from the World Bank. The GSC's responsibilities include promoting consistency in implementation of the program across the FIP countries, identifying activities for the global project, approving the Global project budget, reviewing and approving amendments to the Framework Operations Guidelines and facilitating a complaints redress and mediation mechanism. The GSC is also responsible for the wider dissemination of the lessons from the DGM and to report on the lessons and results to the FIP Sub-Committee on an annual basis. The GSC is not formally constituted as yet. A Transitional Committee is fulfilling this role till the GSC is formally constituted.

4. Activities under this component are geared toward enabling the GSC to fulfil its role and provide oversight to the program. Given the wide range of functions that the GSC needs to fulfill, a significant portion of the Global project's activities will be devoted to providing the necessary secretariat services and technical advice to the GSC as outlined below:

- a. **Facilitate the process of establishing the GSC and preparation of the Rules of Procedure for the GSC.** The GEA will liaise with the World Bank and with the current members of the DGM Transitional Committee and facilitate the necessary steps to establish the GSC. This could include support for the selection of members and establishment of National Steering Committees in the FIP pilot countries where this process has not yet concluded. The GEA will also prepare the GSC Rules of Procedure for the GSC's approval.
- b. **Secretariat services for the GSC:** To enable the GSC perform its functions, the GEA will serve as the secretariat to the GSC and provide technical assistance, leadership training and advice as needed on the topics of discussion by the GSC. The GEA will organize, service and report on the annual meetings of the GSC (approx. 20 members), which will take place once a year in a central, accessible location.
- c. **Managing partnerships and external relations.** The GSC will carry out external outreach on the program and fundraising opportunities to organizations such as UNPFII (United Nations Permanent Forum on Indigenous Issues), UNREDD, GEF, IFAD, FCPF, global and regional IPLC organizations, and other organizations and donors working on, influencing or funding REDD+ and other climate mitigation and adaptation mechanisms. The GEA will provide the necessary logistical and technical support on this activity.
- d. **Complaints and grievance redress mechanism.** As outlined in the Framework Operational Guidelines, the GSC will facilitate a grievance redress mechanism with support from the GEA for matters that are not resolved at the country level and are referred to the GSC. The GEA will develop the procedures for the mechanism at the GSC level, based on the process outlined in the Framework Operational Guidelines for the DGM, and work with a sub-committee of the GSC to ensure that the GSC is active and responsive to

complaints and grievances that may advance to the GSC for resolution.

- e. **Adaptation/revision of specific provisions of the D G M Operational Guidelines.** The Framework Operational Guidelines for the DGM is a living document and the GSC may decide to review specific provisions and their adaptation in the countries, with the support of the GEA.

iii. Planning, Monitoring and Reporting (\$0.74 million)

5. Planning, Monitoring and Reporting. The strategic plan will form the basis for the development of annual workplan and budget and set milestones and outcomes to guide the implementation of the Global Project activities. Another key function of the GSC within this component is the monitoring and reporting on the results of both the Global Project and the overall performance of the DGM to the World Bank and to the FIP Subcommittee through the semi-annual operations report of the FIP which is prepared for the FIP subcommittee meetings. The activities under this component will not substitute the monitoring and reporting that DGM projects in the countries will carry out as per Bank requirements for all investment projects.

- a. **Strategic Planning for the Global Project:** The GEA will prepare a draft Strategic Plan and a provisional workplan and budget for the 5-year implementation period of Global Project based on the description of responsibilities defined in the program document, reviewing the approach and provisional allocations with the DGM Global Transitional Committee. The draft Strategic Plan and provisional workplan and budget will be presented and discussed at the first meeting of the GSC, incorporating inputs from the NSCs through their representatives on the GSC. The GEA will make required revisions to the strategic plan, workplan and provisional budget based on discussions with the GSC. The final 5 year strategic plan and budget will be reviewed and approved by the GSC after obtaining a ‘no objection’ from the World Bank. GEA may circulate the strategic plan to other sources for comment on activities and to leverage possible collaboration and joint funding as per directions of the GSC, such as, representatives of the UNREDD, GEF, IFAD, FCPF, global and regional IPLC organizations and donors, etc.
- b. **Monitoring the overall performance of the DGM:** The GEA will coordinate actively with the NEAs in the FIP pilot countries to develop a reporting framework on the implementation of the DGM to monitor and document the overall implementation progress of the DGM (see Annex 1 for the results framework & indicators). The NEAs will provide information to the GEA through these common formats for a DGM-wide compilation of progress reports. The GEA will provide advice and coordination to NEAs to ensure that information from national level monitoring efforts flows effectively to reporting on progress toward achieving global indicators.
- c. **Compiling and Reporting the results of the DGM:** The GEA will submit the following reports and deliverables related to the establishment of the GSC, provisional budget, strategic planning and initial workplan and budget for the approval of the GSC, after receiving a ‘no objection’ from the World Bank.

- d. **Rules of procedure for the functioning of the GSC** - to be submitted no later than 3 months after the signing of the grant agreement between the GEA and the WB. The Draft Strategic Plan for the implementation of the Global Project - to be submitted for approval to the GSC at the first meeting following the start of the assignment. The final Strategic Plan to be submitted no later than 60 days following the completion of the first GSC meeting; Communication and outreach strategy for the DGM - to be submitted no later than 3 months following the first GSC meeting.
- e. **A provisional workplan and budget for the first year of the DGM Global Project** will be submitted by sixty days after Effectiveness to the World Bank. Revisions to the provisional work plan and budget for the first year to be submitted no later than 30 days after the approval by the GSC of the Strategic Plan for the Global Project.

6. The GEA will submit the following reports to the GSC related to the ongoing implementation of the Global Project and country DGM projects following receiving a ‘no objection’ from the WB.

- a. Following year one of the Global project, work plans and budgets for subsequent years to be submitted no later than September 30th of the preceding year (or 60 days prior to the beginning of the respective reporting year, if not calendar year);

Semi-annual implementation progress reports on the activities of the DGM Country and Global projects in a format based on the common reporting framework developed in collaboration with the NEA’s and to be agreed with the World Bank to be submitted within 75 days after the end of the reporting semesters - ending June 30th and December 31st - for presentation to the FIP sub-committee at their semi-annual meetings usually scheduled in April and October. The information in the semi-annual implementation reports related to the country projects will be compiled from information provided by the NEAs. These reports should include descriptions of DGM Country activities, progress, lessons and results, details of the portfolio in the countries and the activities of the global project, status of implementation, funding allocations for the previous period, and other pertinent information;

- b. Annual Report on the DGM – in a format to be agreed with the World Bank to be submitted 90 days after the conclusion of the reporting year.
- c. Completion report - to be submitted within six months after the implementation of all activities under the Global project.

7. All such reports and deliverables shall be prepared in English and translated, upon GSC’s request, in any or all working languages of the DGM. All reports prepared by the NEAs that form the basis of the semi-annual report to the GSC and the annual report to the FIP sub-committee and any other reporting required of the NEAs to complete the reporting responsibilities of the GEA will be submitted to the GEA in English and in the national language. All reports and deliverables shall be submitted in hard copies (2 copies) and electronic format to the GSC and the World Bank.

8. In addition to the above reporting to the GSC, the GEA shall report in the agreed format to the World Bank on financial aspects of the Global project. These reports should be submitted on a semi-annual basis, within 60 days of the end of the reporting semester. If situations occur that require additional reporting for World Bank's review, input or action, submission dates will be agreed with the GEA on a case-by-case basis.

Procedures for the Global Learning and Knowledge Exchange Project

9. Activities under this component will be implemented by the Global Executing Agency, under the direction of the Global Steering Committee. The GEA will prepare a work plan listing activities, budget, timeframe and expected impacts. For each activity the GEA will specify the requirements for participation. The GEA will seek a 'no objection' from the World Bank before submission of the work plan to the GSC for its review and approval.

10. The GSC will review the work plan using the criteria for activities to be funded by the Global Project (section IV, para. 40 of the DGM Framework Operational Guidelines) and approve all or selected activities and budget and ask the GEA to proceed with implementation. The GEA will liaise with partner agencies in the regions and countries as needed and disseminate information on the upcoming activities or events on its website, those of partner agencies and NEAs, and through known networks.

11. **Beneficiaries of Activities under the Global Learning and Knowledge Exchange Project:** Not-for-profit organizations, national or regional federations or associations of IPLCs or their designated representatives in FIP pilot countries or who are non-state actors and who meet the specific criteria for the activities as notified by the GEA may be beneficiaries. Subject to availability of resources and consistency with program specific criteria, IPLC participants from countries that are as of June 28, 2014: FIP pilot countries, PPCR and SREP pilot countries, FCPF REDD Readiness Participant countries, and UNREDD National Programme countries which also meet the FIP country eligibility criteria²⁴ may be invited to participate in learning activities.

12. **Financing:** The overall envelope for the Global Project is US\$5.0 million in grant resources from the Strategic Climate Fund Grant. The FIP Sub-committee approved a project preparation grant of US \$275,230 in FY15 to Conservation International as the GEA for undertaking preparatory activities for the project. The project cost estimates for the three components are as follows:

- | | |
|---|----------------|
| a. Global Learning, Outreach and Information Sharing - | \$2.99 million |
| b. Technical Assistance and Secretariat Services to the GSC - | \$ 1.0 million |
| c. Planning Monitoring and Reporting - | \$0.74 million |

The Project has an expected period of implementation of five years with an implementation end date of June 30, 2020.

13. **Risks:** Overall, the risk level of the Global Project is deemed to be low, given the nature of the activities – mainly trainings, workshops and seminars.

²⁴ FIP Design Document (July 2009), page 7, section IV, para 14.

14. **The Global Executing Agency: Organization and Staffing** (see organization chart on page 49). Conservation International Foundation, USA (CI) has been selected through a competitive process to perform the role of the GEA. The staffing plan will build a team comprised of a combination of existing CI staff, new staff hired to fill specific roles, and accessing a pool of both CI and non-CI consultants and topic experts required to complete the activities defined under the Global project strategy and workplan.

15. The Senior Director of the CI's Social Policy and Practice (SPP) Department will provide overall administrative oversight to the Global Executing Agency, working closely with the Technical Director of the GEA to ensure effective and efficient implementation of the activities under the three components of the GEA. The Senior Director will also seek to leverage existing funding, identify new funding opportunities and develop a coordinated approach to strengthening IPLC capacity and opportunity to participate substantively and independently in global mechanisms that impact their lives, livelihoods, traditions and cultures. The GEA will also have access to the advisory services of the Senior Vice-President of the Policy Center for Environment and Peace, and founder of CI's Indigenous and Traditional Peoples Program. The Senior-Vice President will contribute to maintaining and building external relationships with global partners and outreach to other institutions, NGOs, and donor governments who support IPLCs' participation in REDD+.

16. A Technical Director for the GEA will provide implementation oversight for components one and two and liaise with the Senior Director of SPP on component 3. This position will serve as the chief liaison between the GEA and the GSC and serve as representative of the GEA on the GSC. The Technical Director will advise the GSC on technical issues related to climate policy and REDD+, coordinate GSC inputs to the development of the Strategic Plan for the Global Project, and the activities to be implemented in the annual workplans. The Technical Director, working with and on behalf of the GSC, will build and maintain external relationships with global partners and outreach to other institutions, NGOs, IPLC organizations and donor governments who support IPLCs' participation in REDD+ and provide linkages to global policy fora on climate change and REDD+ and related issues.

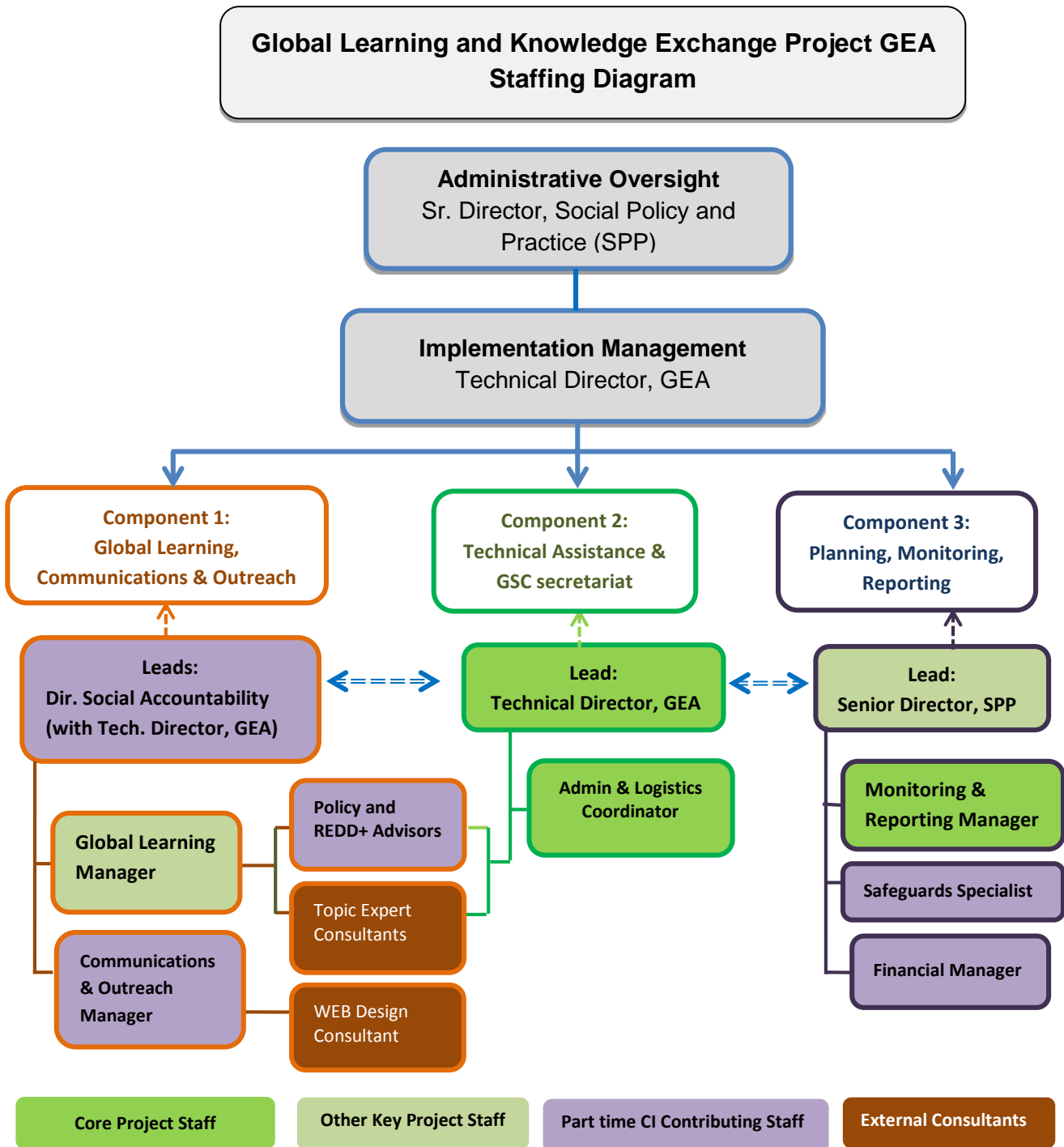
17. The Global Learning component will be co-led by the GEA's Technical Director and the Director for Social Practice and Accountability, who leads CI's climate capacity building and REDD+ stakeholder engagement programs with IPLC's. They will work closely with the Senior Director for Climate Policy, who will provide expert advice on strengthening the capacities of IPLC leaders as policy makers and negotiators, and the Technical Advisor of REDD+ Initiatives, who will advise on the technical capacity building needs defined through outreach to the pilot country NSCs and regional IPLC organizations, and in consultation with the GSC. This advisory team will develop the Global Learning strategy, curricula and training plan. A Global Learning Manager, experienced in training design for IPLCs, climate change, REDD+ and related capacity building issues will manage the organization and delivery of all Global Learning events. The GEA will engage CI's pool of content experts in areas such as climate finance, climate science, forest carbon project development, REDD+ Readiness, and social and environmental safeguards as needed and will also bring in expert consultants, partners and IPLC experts to contribute to the development and delivery the Global Learning activities.

18. The Communications and Information Sharing component will be coordinated by CI's Senior Manager of Knowledge Management and Capacity Building who will lead the development of the Communications and Information Sharing strategy. The GEA will sub-contract a web consultant and developer to design, develop, and maintain a DGM website and communications platform that creates a global information sharing and learning mechanism about the activities of the DGM and links to communications portals of the FIP countries. The consultant will also provide advice on a global and internal communications and outreach strategy for the DGM, and digital tools and approaches to increase the scale of learning and outreach both globally and internal to the DGM.

19. An Administrative and Financial Management Team (AFMT) will be formed to provide administrative and financial oversight for the Global project. The Senior Director of Social Policy and Practice will lead the AFMT and provide management oversight of planning, project implementation, monitoring of performance and compliance to all Policies and Safeguards, financial, and reporting requirements, and oversee administrative and logistical support. The Administrative and Financial Management Team will include a Financial Management Specialist, who will oversee and manage all financial flows for the GEA and an expert on WB Policies and Safeguards. To ensure effective administrative support for the Global project and the GSC, and logistics and coordination support to the Global Project activities, an Administrative & Reporting Manager and an Events & Logistics Coordinator will be hired to fill these roles on the AFMT.

20. CI will also access expert staff within CI's Country Programs, our external partners, and/or consultants to provide advice on key issues, technical and policy topics, and country or regional issues that impact the project activities of the Global Project and the DGM.

GEA Staffing Chart



**DEDICATED GRANT MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL
COMMUNITIES (DGM)
GLOBAL LEARNING AND KNOWLEDGE EXCHANGE PROJECT**

ANNEX 3. FIDUCIARY ASSESSMENT

I. Financial Assessment

1. Introduction: A Financial Management Assessment of the Global Executing Agency - Conservation International Foundation (CI) was undertaken on November 17, 2014 with the objective of determining whether it has in place adequate financial management arrangements that satisfy the Bank's OP/BP10.0 with regards to the Proposed Grant from the FIP Trust Fund to the DGM Fund. Under OP/BP10.0, financial management arrangements are the budgeting, accounting, internal control, funds flow, financial reporting, and auditing arrangements of the entity and entities responsible for implementing Bank-supported operations. For each operation supported by Bank administered financing, the Bank requires the recipient to maintain financial management arrangements that provide assurance that the proceeds of the financing are used for the purposes for which the financing was granted.

2. The assessment was carried out in accordance with the Bank's guidelines under Financial Management Practices in World Bank-Financed Investment Operations dated November 3, 2005. Financial management risk is the risk that grant proceeds will not be used for the purposes intended and is a combination of risk factors.

3. Project Development Objective: The objective of the Global Learning and Knowledge Exchange 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 regional and global policy fora. The Project has a 5 year implementation period with an implementation end date of June 30, 2020. The Project consists of the following components:

- a. Global Learning, Outreach and Information Sharing - \$2.99 million
- b. Technical Assistance and Secretariat Services to the GSC - \$ 1.0 million
- c. Planning Monitoring and Reporting - \$0.74 million

4. Implementation Arrangements: The Global Project will be implemented by CI as Global Executing Agency (GEA) and managed by the Social Policy and Practice Department on behalf of DGM. The GEA will also have the responsibility for the global communications and outreach activities of the DGM. The GEA will also 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 the global partners working on similar issues to enhance synergies and learning opportunities through the DGM.

5. Staffing Capacity: Project FM functions including accounting, budgeting, flow of funds, as well as the preparation of financial and disbursement requests to be submitted to the World Bank, will be carried out under the implementing entity's financial management staff who are well qualified and have good experience in managing donor funding.

6. **Prior Experience with World Bank Operations:** CI fiduciary staff has prior experience in WB financed projects (CEPF I and II, Oceans Project, Project Preparation Grant of DGM).
7. **Budgeting:** Financial Management for the project will be using CI's budgeting system which is linked and interfaced to its FM System – Agresso Financials. Interim Financial reports are produced periodically and are also subject to CI's internal audit review and the system is acceptable and in compliance with WB OP/BP 10.0.
8. **Accounting:** The accounting system is computerized – Agresso Financial System.
9. **Internal Controls:** The project will be implemented in the same way as all other donor financed projects at CI and will be subject to the same control mechanisms. CI's Operational manual refers to CI's administrative and accounting procedures, hence CI will continue to use this as an effective method of ensuring internal controls are in place and are followed. A project specific supplement to this Operational Manual will be prepared in a format agreed with the Bank, before Effectiveness.
10. **Funds Flow and Financial Management:** A Grant Agreement will be signed between the GEA and the World Bank following the Board approval of the DGM. On receipt of the counter signed GA along with the disbursement letter and authorized signatory letter, CI will be able to submit withdrawal applications (WA). As preliminary step, CI's authorized signatories will engage with the World Bank CTRLN unit in Chennai, India to familiarize the authorized signatories to operate the electronic Client Connection system of the World Bank.
11. **Disbursement:** CI will use its donor account which is a pooled account to receive grant funds. Release of funds from this account will be based on the annual plan for activities approved by the World Bank and the Global Steering Committee established for this DGM. The following mode of disbursement is recommended i) Advance, ii) Reimbursement and iii) Direct payment as per the World Bank Disbursement Guidelines. The disbursement letter will provide a ceiling amount for withdrawal and also minimum application for reimbursement. As activities are anticipated to start prior to counter signature, a maximum of 20% will be allowed under the retroactive clause if required.
12. **Financial Reporting:** CI will prepare consolidated semi-annual unaudited Project Interim Financial Reports (IFRs). These reports will be prepared on a cash basis in Dollars and furnished to the World Bank no later than 60 days after the end of each calendar semester. A reporting template which provides opening/closing balances, main activities and related expenditures has been agreed with CI finance team.
13. **Auditing Arrangements:** CI has independent Audit Committee, which is charged with overseeing the integrity and quality of CI's financial statements, the integrity and quality of CI's system of internal controls, the performance, qualifications and independence of CI's external auditors, and the performance, qualifications and independence of CI's internal audit function. The audit committee approves annual schedules that outline their agendas for the coming years. This includes audit firm, their audit plan, reviewing the audit report and the management letter, if

any, and reviewing status thereof. The audit plan includes audit deliverables, timelines and communication between audit committee and the auditors.

- a) Internal Audit. CI’s internal audit team will include the DGM Global project grant as part of their internal audit plan if requested by the World Bank to inform the bi-annual Implementation Support Mission (described under FM Implementation support Strategy), and include in their report, programmatic responses and corrective action plan. Internal audit findings will be tracked and monitored by General Counsel Office in a data base along with other entity findings and reported for management action. During World Bank implementation support mission, CI Internal audit team will provide access to such documents in connection with the World Bank grant.
- b) External Audit: The Project financial statements will be audited by CI’s external auditors, who will provide a supplemental opinion on the project financial statement. The terms of reference (TOR) for auditors will be cleared with the World Bank prior to the engagement of the external auditors. The World Bank will provide a TOR template. Audit period will be the same as the CI fiscal year (July 1 – June 30) and the audit reports will be submitted to the World Bank within six months from each fiscal year end during the grant period.

14. **FM Implementation Support Strategy:** The ISM will review the implementation of FM arrangements and FM performance, identify corrective actions if necessary, and monitor fiduciary risk. It will include a) review of IFRs b) review of auditor reports and follow-up on issues raised by auditors in the management letter; and c) participation in implementation support missions including, at least one site-visit every two years and desk review.

15. **Risk Assessment:** The main risk anticipated is when new staff are hired or engaged. The mitigation measure is providing implementation support whenever required by the World Bank. Overall the risk is rated as low.

<i>Risk</i>	<i>Risk Rating*</i>	<i>Mitigation</i>	<i>Residual Risk</i>
Inherent Risk			
Country Level	L		L
Entity Level	L		L
Grant Level	L		L
Control Risk			
Budgeting	L		L
Accounting	L		L
Internal Control	L		L
Funds Flow	L		L
Financial Reporting	L		L
Auditing	L		L

[*H – High S- Substantial M – Moderate L – Low]

Conclusion: The FM arrangements meet the Bank’s minimum requirements under OPBP 10.0.

Given the strong control environment and the prior experience of CI in managing World Bank grants the residual FM risk is rated 'low.'

16. **Strengths and weaknesses:** CI has well qualified and experienced staff to manage the grants and this has been established from other World Bank grants managed by CI. Staff who may have joined CI recently may not be conversant with Bank policies and procedures. This will be mitigated by providing timely clarification and implementation support by the WB team and also by connecting such new staff with experienced staff in CI already working with other WB grants and is thus not an anticipated risk.

PROCUREMENT ARRANGEMENTS

A. General

17. Procurement for the proposed project would be carried out in accordance with the World Bank "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004 and revised in January 2011; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 and revised July 2014, and the provisions stipulated in the Legal Agreement. The description of the various items under different expenditure categories will be presented in the procurement plan to be submitted to the Bank. For each contract to be financed by FIP grant, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the Bank project team in the procurement plan. The procurement plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

18. **Staffing:** CI's Procurement staff is well versed with the World Bank Procurement Guidelines. Since CI has a very robust procurement system that complies with the World Bank Guidelines on Procurements of Good, Works, and Non- Consulting Services, January 2011, procurement of goods and non-consulting services under Training, Workshops and Seminars will follow administrative procedures of CI.

19. **Procurement of Works:** There will be no procurement of Works.

20. **Procurement of Goods:** Goods procured would include equipment under project activities.

21. **Procurement of non-consulting services:** Non-consulting services would include translations, printing and other vendor services.

22. **Selection of Consultants:** Consultants would be selected for limited scope technical services as part of projects and activities using approved DGM policies and procedures as detailed in the operational manual and grant agreement. Consultants will also be selected through a competitive process. This requirement does not apply to technical services provided by CI's employees.

23. **Operating Costs.** This would include CI's incremental costs directly related to the administration of the Project including management support.

B. Assessment of the Agency’s Capacity to implement Procurement.

24. Procurement activities would be carried out by DGM Global project team under CI as laid out in CI’s Operational Manual. An assessment of the capacity of the implementing agency to implement procurement actions for the project has been carried out by World Bank Procurement Specialist in November 2014. The assessment reviewed CI’s organization structure and functions, past experience, staff skills, quality and adequacy of supporting and control systems, legal and regulatory framework. The overall project risk for procurement is low.

C. Procurement Plan

25. CI would develop an annual spending plan to be agreed with the World Bank. This plan of project implementation would provide the basis for the procurement methods. Guidelines for procurement provisions are outlined in the Operational Manual.

D. World Bank Prior Review

26. Goods and service contracts costing \$ 50,000 or less shall be procured in accordance with competitive commercial practices based on quotations received, usually from at least three reliable suppliers. Contracts of goods and services costing more than \$ 50,000 shall be procured in accordance with applicable procurement methods in accordance with the IBRD Guidelines. Similarly, Consultant hiring (individual > 100,000 and firms >200,000) will be subject to prior review and in accordance with the IBRD guidelines. All other contracts would be subject to ex-post review by implementation support missions, post review sampling ratio would be one out of twenty contracts.

E. Frequency of Procurement Implementation Support Mission.

27. In addition to the prior review to be carried out by World Bank qualified PS or PAS, an implementation support mission will also be conducted on completion of grant activities before grant closing date.

28. Overall conclusion is that Procurement Risk is rated as low.

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

ANNEX 4: PROCEDURES FOR REVIEW AND SELECTION OF DGM GRANT PROPOSALS & CAPACITY BUILDING ACTIVITIES²⁵

This is the guiding framework for the process of grant proposal submission, review, decision-making, and the steps to be followed during implementation of grant-funded projects and the capacity building activities of the Country projects as well as the Global Project. The GEA for the Global Project, and the NEA for each FIP pilot country, will develop more detailed and customized guidance.

A. Basic Requirements for Country Grants

All proposals for the Country Grants will be reviewed for the following criteria, and any modifications to these criteria provided in the respective Country Operational Manual for the DGM:

- a. **Country Eligibility.** The proposed project should be located in one or more FIP pilot countries.
- b. **Program Criteria.** All proposed projects for DGM Country Grants should meet the DGM program criteria presented in Chapter III, Section B of the Framework Operational Guidelines.
- c. **Organization Eligibility.** Not-for-profit organizations of Indigenous Peoples or Local Communities that wish to apply for the DGM grants should be non-state actors, based in a FIP pilot country. In addition, these organizations should meet the following legal and financial criteria:

(i) **Legal Status:** Organizations applying for grants should have legal status under relevant domestic laws.

In the event that an Indigenous Peoples or Community-based Organization **does not meet the legal criteria**, it may ask a legally registered not-for-profit organization, NGO or local institution that meets the above criteria to act as applicant and recipient of the grant on its behalf. In such cases, the relationship between the Indigenous Peoples Organization or Community-based Organization and the recipient entity must be made explicit in the proposal. A **letter** signed by representatives of the beneficiary Indigenous Peoples Organization or Community-based Organization, delegating the applicant organization to apply on their behalf and stating the **informed consent** of the community, must be attached to the proposal.

(ii) **Financial Management Capacity:** Organizations applying for grants, including organizations acting on behalf of an Indigenous Peoples or Community Organization, should

²⁵ From the [DGM Framework Operational Guidelines](#)

have demonstrated financial management capacity and organizational accountability, including:

- i. an operational bank account that has been functional for at least one year (as evidenced by bank statements);
- ii. a qualified and experienced accountant to account for the grants;
- iii. audited accounts and management letters for the last one year or interim statements that it is willing to share with the NEA for evaluation of the financial management systems in place;

An organization that does not meet these financial criteria may still apply for a grant.

In such cases the NSC may direct the NEA to adopt a flexible approach depending on the capacity of the organization, size of grant requested and other relevant parameters. Organizations in such situations may also access capacity building programs through the DGM which will enhance their opportunity to access other funding sources as well. These options will be elaborated in the country operational manuals.

No international NGO or local office of an international NGO, government department, state-funded entity or for-profit company or firm, or executing agency of the DGM in any of the FIP pilot countries may apply for grants under the DGM.

- d. **Conflict of Interest.** Current members of GSC or NSC may become beneficiaries of the grants provided they recuse themselves from the grant award decision-making process for the particular round/quarter. Such members shall also recuse themselves from any other decision that may affect or benefit them or any other organization or entity with whom they are affiliated. In the case that a GSC or NSC member represents an association or federation of organizations, then member organizations of the federation or association are not restricted from applying for the grants.

B. Procedures for Country Grants

Step 1: Call for Proposals. The NEA, following the NSC's approval, issues a call for proposals at least once in a year, on its own website, the FIP website, and through other media, as appropriate for the local context. It will include among other things: (i) eligibility criteria for applicants; (ii) eligible activities; (iii) decision-making procedure and timeline; and (iv) guidance for submission of proposals.

Step 2: Brief Project Proposal. Applicants submit a **Brief Project Proposal** in response to the call for proposals (see sample template for Brief Project Proposal in Annex 1 of the DGM Framework Operational Guidelines). This may be submitted in English or in the language specified in the call for proposals in the country. The NEA will screen the proposals and take one of the following steps:

- i. if the funding requested is below \$50,000, the NEA will screen proposals using the basic requirements for country grants (see section A above), including any country-specific

criteria established for this purpose. The NEA may also conduct site visits with applicants and assist with the development of their plans, including the formation of partnerships. These proposals will then be included in a list for the NSC to review and consider for funding. A Brief Project Proposal will be sufficient for all proposals under \$50,000; or,

- ii. if the proposal meets the DGM basic requirements for country grants and the requested funding is more than \$50,000 but below \$500,000, a request for submission of a Full Project Proposal is sent to the applicant; or,
- iii. if there is insufficient information in the proposal for a decision, a request for additional information is sent to the applicant; or,
- iv. if the proposal does not meet the DGM criteria for funding, the NEA will include it in the list of proposals not recommended for funding, citing the reasons for the recommendation, for a final decision by the NSC.

Step 3: Full Project Proposal. Applicants will be requested to submit a **Full Project Proposal** (see sample template in Annex 2 of the DGM Framework Operational Guidelines) for review when the grant amount requested is greater than \$50,000 and up to \$500,000. This template includes more technical and financial details on the proposed project. The NEA may also seek additional information on the financial status, staffing or other organizational information of proponents or make a site visit to enable its review.

Step 4: Screening of Proposals. The NEA will screen all proposals to ensure that they meet the basic requirements for country grants proposals (see section A above). The NEA will prepare a final list of complete proposals that meet the criteria for funding, for the NSC's review and decision.

Step 5: Review and Selection. The NSC will meet to review the list of proposals prepared by the NEA and make a final decision regarding funding of proposals. In some cases, the NSC may decide to request additional information from applicants or decide not to fund some proposals. It may offer interested organizations technical assistance through the NEA to develop a project idea, and present it in the required format. In cases where small organizations seek funding for projects without evidence of prior experience, the NSC may adopt a flexible approach and ask the NEA to assess its work through site visits and recommend a smaller grant size or several tranches, if the proposal merits DGM funding. The NSC's decisions will be recorded in the minutes of its meeting.

Step 6: Notification and Execution of Grant Agreement. All applicants will be notified of the status of their proposal and next steps by the NEA following the NSC's meeting and decisions. Proposals accepted for funding will be notified accordingly, and the NEA will take the grant recipients through all the next steps required, such as execution of a grant agreement between the NEA and the recipient organization and procedures for disbursement and reporting by the grant recipient. The NEA will enter into an agreement with the organization which will include, inter alia, the following financial management requirements:

- i. The organization agrees to provide quarterly accountability reports to the NEA that compare actual expenditure to the budget and explain any significant variances. These reports should be supported with evidence of expenditure incurred and can include photos where applicable.
- ii. The organization opens a specific bank account for the project where funds will be deposited. The names of signatories to the account should also be provided to the NEA.
- iii. The organization allows the NEA internal and external auditors access to the grant records to determine that funds are used for purposes intended.

Step 7: Implementation, Monitoring and Reporting. Implementation of the projects will be in accordance with the agreement signed between the recipient organization and the NEA. Project activities should be in compliance with all relevant MDB safeguards policies. Projects financed by the DGM will be regularly monitored by the NEA. The MDB will also carry out regular supervision of all the DGM activities in the country. The Country Operational Manual will specify the formats and frequency for reporting by the grant recipients. In addition, there may be peer group (other IPLC) monitoring and learning visits. An independent review of the projects may also be carried out, if deemed necessary by the MDB.

Disbursements to the organization will be on the basis of milestones agreed on with the NEA. The first tranche will be disbursed after signing of the grant agreement and upon providing an approved list of activities in line with the budget. Thereafter, subsequent disbursements will be made following satisfactory accountability of funds disbursed in the preceding installment. In the case that the NSC decides to fund proposals of organizations that do not have all the above financial management systems (see section A above) in place, the NEA may pay directly from its account upon receiving payment requests for eligible expenditures per the agreed work plans and budgets. Further disbursements will be made upon fully accounting for the earlier funds disbursed.

Step 8: Completion Reporting. All projects funded by the DGM will complete an implementation completion report in the format specified in the operational manual.

The DGM will not finance individual proposals above \$500,000, except under exceptional circumstances where the scale and scope of positive impacts from a proposed project are estimated to be significant. For such proposals, the review process will be determined on a case-by-case basis by the respective MDB in consultation with the NSC and, if required, the GSC.

C. Procedures for Country Capacity Building Activities

Under the direction of the NSC the NEA in each FIP country will develop a menu of capacity building programs and prepare a budget and delivery plan for those programs. Capacity building activities under this Sub-component will be directly related to the DGM and FIP activities in the country. Other capacity building activities under Thematic Area - *Capacity development in leadership, management and technical skills of Indigenous Peoples and Local Communities*, are: training in grant proposal writing, financial management, book-keeping, procurement and safeguards will be available to grant recipient organizations. Depending on the technical requirements of capacity building activities, the NSC may ask the NEA to seek the services of partner organizations or deliver the training using NEA's staff.

D. Activities Ineligible For DGM Funding

The following activities will be **ineligible** for funding by the DGM:

- i. purchase of land;
- ii. activities carried out in relation to adjudication of lands under dispute;
- iii. 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;
- iv. removal or alteration of any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values);
- v. conversion, deforestation or degradation or any other alteration of natural forests or natural habitats including, inter alia, conversion to agriculture or tree plantations;
- vi. financing of elections or election campaigning; and,
- vii. purchase of arms or ammunition.

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

ANNEX 5: INTERNAL GUIDANCE NOTE²⁶ FOR TASK TEAMS REGARDING SELECTION OF A NATIONAL EXECUTING AGENCY (NEA) FOR DGM COUNTRY PROJECTS

I. Introduction

1. This document refers to the selection of the National Executing Agencies (NEAs) to be responsible for the management of the national grants components in the countries where the DGM projects are to be implemented. The selected entity will sign a grant agreement with the World Bank, as the Implementing Entity of the FIP under Strategic Climate Fund (SCF). As laid out in the DGM Framework Operational Guidelines, the NEA in each country is not pre-determined, but will be selected during the preparation phase of the country DGM project.
2. This document describes the key principles that govern the selection process and is meant to help World Bank task teams of DGM country projects advise their respective counterparts in this regard. It does not constitute World Bank policy. All aspects of the NEA selection process need to be duly documented and archived in WBDocs by the DGM task team in the country.
3. The selection of NEA may follow any procedure that ensures the following key principles:
 - transparency;
 - equal access of participants;
 - wide participation;
 - uniform application of the rules to all participants.
4. According to the Paragraph 19 of Section B in Chapter II of the DGM Framework Operational Guidelines dated September 12, 2013, the selection of NEA is open to any not-for-profit and non-state organization that possesses the necessary capacity and meets the programmatic, fiduciary and safeguards requirements to successfully implement the DGM country project with its two main activities (an actual grant execution and being a secretariat to the National Steering Committee).
5. The process for the selection of NEA can be managed by one of the following structures: (i) by the National Steering Committee (NSC), if already established, or (ii) by a transitional NSC if the NSC is still not in place, or (iii) by a relevant Government agency or the Global Executing Agency, in collaboration with the NSC or transitional NSC. The respective World Bank country DGM TTL will approve the selection procedure and criteria prior to the initiation of the selection.
6. The selection procedure is not subject to World Bank's Guidelines for the selection of consultants as this is a selection of a grant recipient, not a consultant. The World Bank DGM task team will not be involved in shortlisting or evaluation of potential applicants. However, the Bank will review and approve, without limitation:

²⁶ This note may be revised based on experience from countries or requirement of Bank policy.

- The selection procedure to be followed (with clear provisions for advertising, qualification and selection criteria, announcement of selection results etc.).
- The Call for applications, including the Terms of Reference for the NEA;
- The composition of the selection committee.

II. Main steps of the selection process

1. Call for applications

- **Appoint the selection committee** (panel), which should be approved by the Bank. The panel should be sufficiently diverse and include both Indigenous Peoples and Local Community members and other relevant stakeholder members such as MDB implementing the FIP, or a government representative. World Bank team members may not be part of the selection panel.
- **Agree upfront on the selection procedure**, which may be based on local practices or regulations, with due consideration to the key principles stated in paragraph 3 above. The procedure to be developed by the NSC with the assistance of a consultant, if needed, and should be reviewed and approved by the Bank.
- **Prepare the Call for applications**, which should include the TOR, the eligibility and qualification requirements as well as the forms and information to be submitted by applicants. It is important that all applicants provide information that is comparable. The TOR shall specify, among others, a detailed description of the scope of work and reporting requirements. The TOR may be developed by the NSC or a transitional NSC with technical advice from the World Bank. The eligibility requirements shall include, in addition to World Bank financial management, procurement and safeguards eligibility, the restrictions of the financier (World Bank) in regard fraud and corruption ([see link](#)).
- **Ensure wide advertising and equal access to information.** Advertise / announce the launch of the selection procedure and related information such as submission deadline, address for submission etc. Advertisement shall include a link to the TORs or provide clear instructions where the detailed TORs can be found. In addition, direct invitations can also be sent to any known potentially qualified applicants.
- **Issue the Call for applications** in line with the selection procedure, or, make them available on a website to ensure easy access of potential candidates to the complete package of application documents.

2. Receipt of applications

- **Submission of applications.** The Call for applications shall include clear instructions regarding the submission process. This information shall include without limitation the following:
 - The format of the applications (e.g. hard copy, electronic submission, if allowed etc.);
 - The deadline for submission;
 - The place for submission of applications (if physically delivered to a designated address).
- **Confidentiality and conflict of interest.** Once the applications are submitted and the names of the applicants are known, all members of the panel shall sign conflict of interest

and confidentiality statements (Attachment 1 – Provided separately to Task Teams). Panel members who are in a conflict of interest situation shall be replaced.

3. Selecting the most qualified application

- **Review of the applications by the selection committee.** All submitted applications shall be reviewed by the panel. The review shall be organized as a 2-step process:
 - a. Screening of the applicants: To determine the applicants' eligibility (e.g. non-state, not-for-profit organization) and qualifications (does the applicant have relevant experience, acceptable fiduciary arrangements, geographic reach etc.). Only applications determined as eligible and qualified applicants shall be considered for further review.
 - b. Review of the applications: A review of the quality of the application itself. The merits of each application shall be judged against the list of criteria and stipulated in the call for applications / TOR (e.g. the clarity of the proposed approach for administering the grants' scheme; the quality of the proposed fiduciary arrangements; etc.).
- **The panel prepares the selection report** with the recommendation for selecting the organization that submitted the best application. The report shall be approved by the Bank and archived in WB docs before the announcement of the results of the selection. Please remember to run the name of the recommended grant recipient through CRPD ([intranet link](#)) and check with your disbursement officer (CTR) to verify that the recommended recipient is not on the CTR anti-money laundering / financing of terrorism list (such lists are also available in Client Connection/forms 384s for the teams to access).
- **Publication of the results.** This communication would disclose the ranking of applicants. Names of organizations rejected on the grounds of ineligibility (step 1 of the review) would also be disclosed.
- **Debriefing.** The NSC shall promptly respond in writing to any questions that may be received from unsuccessful applicants. Debriefing response shall include the reasons why the particular application was not selected (weaknesses) or rejected on the grounds of ineligibility, based on the selection report.

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

ANNEX 6: GENERIC TERMS OF REFERENCE FOR NATIONAL EXECUTING AGENCY

Terms of Reference For DGM National Executing Agency (NEA) for [Country]

Background

1. The Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) was created and developed as a special window under the Forest Investment Program (FIP). The FIP is one of the three programs under the Strategic Climate Fund (SCF), a multi-donor Trust Fund established in 2009, under the partnership called the Climate Investment Funds (CIF) to provide fast track climate financing to reduce deforestation and forest degradation in tropical countries. For more information please refer to the [FIP Design Document](#)²⁷. The DGM is being established under the FIP to provide grants to Indigenous Peoples and Local Communities in country to support their participation in the development of the FIP investment strategies, programs and projects, as well as in other REDD+ processes at the local, national and National levels. For more information please refer to: (i) the [DGM Design Document](#)²⁸ and (ii) [Framework Operational Guidelines](#)²⁹ for the DGM.
2. The DGM Design Document stresses the need to strengthen Indigenous Peoples and Local Communities' (IPLC) capacity to participate effectively in all phases of FIP and REDD+ processes and create livelihood opportunities that also generate mitigation and adaptation benefits, while respecting the culture, traditional knowledge and indigenous forest management systems. In the FIP pilot countries, the DGM is complementary to the projects and programs supported under the FIP investment plan and it is expected that the DGM activities will be complementary to the FIP investments and to take advantage of the synergies where possible.
3. The DGM in [country] has an indicative funding envelope of US\$XX million in grant resources. This funding from the DGM will finance activities, which are to be determined by the National Steering Committee of the DGM (NSC) in Country [country] in accordance with the DGM Project for [country], the Country Operational Manual and the DGM Framework Operational Guidelines mentioned above. The project will be executed by a National Executing Agency (NEA) under the oversight of National Steering Committee (NSC) and the World Bank.
4. The World Bank will enter into an agreement to provide funding to the NEA, and will be observers in the NSC. The NEA will report back to the World Bank on the progress, safeguards and fiduciary aspects of the program.

²⁷ FIP Design Document ([link](#))

²⁸ DGM Design Document ([link](#))

²⁹ Framework Operational Guidelines ([link](#))

5. The NEA will coordinate closely with the Global Executing Agency of the DGM during the project period to ensure consistency in the project information gathering and reporting and other aspects of implementation across all the DGM country projects under implementation.

Scope of Tasks

6. The NEA will be responsible for the execution of the DGM project and will also provide the services as the secretariat of the DGM National Steering Committee (NSC) of [country], within the allocated budget of US\$ million. It is anticipated that the activities will be implemented over a period of five years.

7. The NEA will facilitate the work of the NSC and provide operational and financial reporting to the World Bank.

8. The NEA shall be responsible for two main tasks:

Task 1: Secretariat to the National Steering Committee (NSC)

Task 2: Execution of the national grants component of the DGM

Task 1: Secretariat to the National Steering Committee (NSC) (estimated budget US\$)

9. The NSC will be the governing body of the DGM in Country, having full oversight of the DGM implementation in the country. As the secretariat, assisting the NSC, the NEA will be responsible for the following under Task 1:

- a. Organize and service the meetings of the NSC which may take place 2 or 3 times in a year.
- b. Arrange for the translation of DGM documents and interpretation services if required, for meetings to and from the working language(s) of the country;
- c. Develop and facilitate on behalf of the NSC an appropriate complaints and grievance redress mechanism;
- d. Carry out any other secretariat tasks as the NSC may specifically assign;
- e. Ensure liaison with the Global Executing Agency (GEA) of the DGM and provide updates and progress reports on the program as agreed with the GEA and the Global Steering Committee of the DGM.

Task 2: Execution of the national grants and capacity building component of the DGM (estimated budget US\$ million)

10. The NEA shall be responsible for the implementation of all activities under the national grants component as approved by the National Steering Committee (NSC). Activities shall include, without limitation, the following:

- a) Prepare/ revise or update the Operational Manual for the DGM project. The Operational Manual describes how the grants component would be administered, including procedures

and criteria to review and select grant applications, measures to ensure transparency and integrity of the process, advertising and dissemination of results, disbursement and financial management arrangements etc.

- b) Organize national, regional and local capacity building activities under the direction of the NSC;
- c) Provide technical assistance to IPLC organizations and networks as needed, on grant proposal preparation, and project management.
- d) Provide advice for the registration of partnerships/associations, as appropriate, and organize meetings and workshops to facilitate the strengthening of regional/national partnerships of indigenous peoples and/or other forest dependent communities;
- e) Supervise implementation of grant recipients' projects. The NEA will monitor and report on achievement of key milestones by the projects and provide updates to the NSC;
- f) Provide information on the country project in the reporting framework as per the schedule agreed with the Global Executing Agency of the DGM.
- g) Attend meetings of the DGM Executing Agencies that may be called in conjunction to share learning and project experiences
- h) The NEA will design and manage the DGM country level communications and liaise with the GEA on information sharing on the global DGM website.

11. **Fiduciary and Safeguards responsibility:** in the implementation of the DGM project activities as approved by the NSC, the NEA will comply with all World Bank's applicable policies and procedures, including the safeguards policies.

Reporting & Deliverables:

12. The NEA will submit the following reports and deliverables for the approval of the NSC:
- a) National communication and outreach strategy
 - b) Annual work plans and budget for the project
 - c) Semi-annual implementation progress reports in a format to be agreed with World Bank. These reports will include description of the activities, status of implementation, funding allocations for the previous period, disbursement status and pipeline of activities. These reports will also be submitted to the GEA.
 - d) Annual Report – in a format to be agreed with the World Bank
 - e) Final report on the project, after the implementation of all activities
13. In addition to the above reporting to the NSC, the NEA shall report to the World Bank on fiduciary aspects of the program in an agreed format and periodicity.