

CONCEPT STAGE

Date ISDS Prepared/Updated:	08-May-2012
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I. BASIC INFORMATION

A. Basic Project Data

Country:	World	Project ID:	P128748
Project Name:	Forest Investment Program Grant Mechanism for Indigenous Peoples & Local Communities (P128748)		
Task Team Leader:	Gerhard Dieterle		
Estimated Appraisal Date:	26-Nov-2012	Estimated Board Date:	24-Jan-2013
Managing Unit:	ARD	Lending Instrument:	Adaptable Program Loan
Sector:	Forestry (100%)		
Theme:	Participation and civic engagement (45%), Other rural development (30%), Indigenous peoples (25%)		
Financing (in USD Million)			
Financing Source			Amount
Borrower			0.00
Strategic Climate Fund Grant			25.50
Total			25.50
Environmental Category	FI - Financial Intermediary Assessment		
Is this a Repeater project?	No		

B. Project Objectives

1. The objectives of the program are to enhance the capacity and support specific initiatives of Indigenous Peoples and Local Communities (IPLCs) in Forest Investment Program (FIP) Pilot countries in order to strengthen their participation in FIP and other REDD+ processes at the local, national and global levels.

C. Preliminary Project Description

A. Overarching Principles

2. The proposed program is based on the Dedicated Grant Mechanism (DGM) Design Proposal (see Annex A&B for background information on the FIP and DGM) developed by the Global Indigenous Peoples and Local Communities Working Group to provide them access to the grants. In line with the conceptual underpinnings of the DGM, the following principles will guide the program through preparation and implementation:

- Indigenous Peoples and Local Communities' ownership and joint decision-making: As primary stakeholders, their ownership of and participation in key decisions during preparation and implementation would be ensured.
- Transparency and accountability: The selection of implementing partners, members of governing bodies and beneficiaries will be done in a participatory and transparent manner and mechanisms for ensuring accountability

will be developed.

- Flexibility, efficiency and administrative simplicity: The process for access of grants by beneficiaries will be executed with the view towards ease and simplicity, and all efforts will be made to ensure that the procedures for grants request and approval will be flexible, efficient and simple.

B. Program Components

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

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

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

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

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

and time lines

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

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

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

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

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

C. Program Financing

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

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

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

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

D. Geographic Coverage

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

E. Role of other Multilateral Development Banks (MDBs) in implementation

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

F. Lending Instrument

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

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

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

The World Bank will be the implementing agency in the case of the following four FIP pilot countries - Burkina Faso, Democratic Republic of Congo, Ghana and Lao PDR. Within the countries, the specific geographical locations of sub-projects (grants) will be determined during the preparation of each country program. If necessary, and requested by the Indigenous Peoples and Local Communities, the Bank will also implement the program in Brazil, Peru, Indonesia and Mexico, using the approaches described here. On the basis of the procedures applied to all projects financed by the Strategic Climate Fund, which also finances the DGM, the specific fiduciary and safeguards rules to be applied for the DGM projects will be those of the respective MDBs which will channel the DGM funds. The specific institutions/entities which will execute the program in each pilot country have not yet been selected at this stage. These institutions will act as financial intermediaries as the DGM funds will be channeled through them to IPLC s. These responsibilities for implementation will include the fiduciary and safeguards aspects as defined in the rules set forth in the Operational Guidelines and Manual. There would be regular reporting of the progress with application of the Bank's safeguards policy

frameworks in those countries where the Bank is the implementing agency, and documentation of their compliant application to sub-projects (grants) of the different activities during preparation as well as implementation.

E. Borrowers Institutional Capacity for Safeguard Policies

The physical investments would be mostly small scale, and are not expected to have major environmental or social safeguards issues. The nature of these investments will determine the choice of locations for physical investment. Selection criteria of sub-project activities will ensure that no land is acquired nor any restriction of access to resources. Similarly, the activities will not be in areas of environmental importance (e.g. protected areas). However, given the variability in quality and capacity across the eight pilot countries, the program will include under capacity building activities, a component on safeguards issues during each country sub-program preparation.

F. Environmental and Social Safeguards Specialists on the Team

Maria Concepcion J. Cruz (AFTCS)

Hocine Chalal (AFTEN)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	For the purpose of clarifying the parameters under which the country level DGM projects will be carried out, a generic Environmental and Social Management Framework (ESMF) will be prepared that will provide a template and a model for project level ESMFs that the implementing agencies will be required to prepare at the level of each country. This Program level ESMF will be prepared before appraisal of the Program and will be included in the program level Operations Manual along with fiduciary rules to be also applied.
Natural Habitats OP/BP 4.04	Yes	During the preparation of each country level DGM projects, the determination of whether this Policy is triggered or not will be made and also whether specific Natural Habitat Management Plans will have to be prepared before approval of the said country level projects.
Forests OP/BP 4.36	Yes	During the preparation of each country level DGM projects, the determination of whether this Policy is triggered or not will be made and also whether specific Forest Management Plans will have to be prepared before approval of the said country level projects.
Pest Management OP 4.09	Yes	During the preparation of each country level DGM projects, the determination of whether this Policy is triggered or not will be made and also whether specific Pest Management Plans will have to be prepared before approval of the said country level projects.
Physical Cultural Resources OP/BP 4.11	Yes	During the preparation of each country level DGM projects, the determination of whether this Policy is

		triggered or not will be made and also whether specific Physical and Cultural Resources Management Plans will have to be prepared before approval of the said country level projects.
Indigenous Peoples OP/BP 4.10	Yes	Since the project specifically covers indigenous communities and will be implemented in known locations of Indigenous Peoples in forest lands, OP4.10 applies. However, because the particular Indigenous Peoples have yet to be identified, the program will develop an Indigenous Peoples Planning Framework (IPPF) that will be finalized following a consensus and participatory process. This process will ensure free, prior, and informed consultations before the IPPF will be disclosed. In general, the IPPF will form a key part of the process of building partnerships and networks, capacity building programs, and support for strengthening traditional forest stewardship, territorial and resource rights, and management systems as elaborated in the FIP design for the dedicated grant mechanism. The entire project, as appropriate, will constitute the Indigenous Peoples Plan (IPP) for each particular area and group of Indigenous Peoples.
Involuntary Resettlement OP/BP 4.12	No	One of the principles covered in the grant mechanism is avoiding relocation and displacement of Indigenous Peoples and communities occupying forest lands. This is also embodied in the IPPF for which criteria for selection of activities ensure that no relocation or restriction of access to resources takes place.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A.	Tentative target date for preparing the PAD Stage ISDS:
	26-Nov-2012
B.	Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.
	The environmental and social assessment and resulting environmental and social management framework, IPPF and other appropriate safeguards instruments would be developed in time for project appraisal.

IV. APPROVALS

Task Team Leader:	Gerhard Dieterle	Date: May 05, 2012
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<i>Approved By:</i>		
Senior Adviser, Operational Services (Quality Assurance and Compliance)	Stephen F. Lintner	Date: May 05, 2012
Chief Counsel, Environmental and International Law	Charles Di Leva	Date: May 05, 2012
¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.		