

December 20, 2013

Comments from the UK: Forest Investment Program (FIP): DGM

PROTECT Policy

Approval: Forest Investment Program (FIP): Dedicated Grant Mechanism for Indigenous Peoples and Local Communities - Request for resources for Indonesia, Peru and Burkina Faso

Dear Patricia,

Thank you for the opportunity to review the latest round of concepts under the FIP Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities, and the supporting requests by implementing MDBs, for project support and supervision services, and where appropriate, preparation grants.

Specifically, this email refers to the CIF admin unit's request to FIP Sub-Committee Members to approve the following:

Indonesia:

- The concept note for the Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities in Indonesia and the estimated budget of USD 750,000 for MDB project support and supervision services, and to approve a first tranche of USD 450,000 for such services to be provided by the International Bank for Reconstruction and Development (IBRD). **In addition to USD 175,000** in FIP funding for a Project Preparation Grant (PPG) to contribute to the preparation of the project for the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in Indonesia.

Burkina Faso:

- The concept note for the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in Burkina Faso and the estimated budget of USD 640,000 for MDB project support and supervision services, and to approve a first tranche of USD 320,000 for such services to be provided by the International Bank for Reconstruction and Development (IBRD).

Peru:

- The concept note for the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in Burkina Faso and the estimated budget of USD 640,000 for MDB project support and supervision services, and to approve a first tranche of USD 320,000 for such services to be provided by the International Bank for Reconstruction and Development (IBRD).

The UK recognises that the DGM is a critical part of the FIP. It is a unique and complex funding mechanism which has been developed over a long period of participatory consultation. We are pleased that this process has moved to the next stage, and that requests for MDB funds and the preparation grant for Indonesia will work toward developing project designs. We are also pleased that the Framework Guidelines are now in place and that countries can use them to guide the design of their DGM Country Plan.

We are satisfied that the Concept Notes provided by each country show that the proposed projects, at this concept stage, are developing in line with the Framework Guidelines, FIP and DGM design criteria. We encourage all countries to make clear how activities financed under the DGM will be used to strengthen the FIP project plans and to use guidance provided on the DGM in project design development.

We therefore approve the decisions. However it is important that we note and encourage the following:

- In the preparation of their project design all three countries should make clear how the DGM mechanism will work in alignment with FIP projects and other REDD capacity-building operating in the country.
- When designing full project proposals countries should make sure that expected results are achievable within the time and budget constraints of the DGM.
- This will be particularly pertinent in the case of Indonesia as they seek to find the right agency, delivery and coordination mechanisms for the DGM.

The UK thanks the MDB teams for their work to date, and for this opportunity to comment.

Kind regards,

Gemma

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