



DGM
GLOBAL

THE DEDICATED GRANT MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

Annual Report 2016

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* The ten country projects on pages 6 to 15 are presented in alphabetical order; the four remaining country projects are in the preliminary preparation phase of project activities and are presented on pages 16 and 17.

FOREWORD

In this, our first annual report, we are excited to share the progress of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM), a pioneering collective effort to empower those most dependent on forests in the global effort to reduce emissions from deforestation and forest degradation and sustainably manage forests (REDD+). Indigenous peoples and local communities from 14 countries worldwide are both beneficiaries and leaders of the DGM, \$80 million in direct-access financing from the Forest Investment Program (FIP) implemented by the World Bank. Under our direction, the DGM has completed its first full year of operation with significant achievements at the global and national level.

It has been a long and difficult journey from early negotiations among indigenous peoples and local community leaders, the World Bank, and the FIP to where we are now. The DGM was created through a participatory process, including extensive dialogues with indigenous peoples and local communities around the world to incorporate the input and knowledge of a wide range of stakeholders. These dialogues were essential for the design of the FIP itself, ensuring that working with indigenous peoples and local communities was built into the structure of the FIP.

The DGM truly reflects the innovation and leadership of our communities, whose continued participation in climate projects and policies is necessary for successful REDD+ results. It recognizes the value of our knowledge on land and forest tenure as the foundation of maintaining forests—to reduce forest loss, to improve our livelihoods, and to reduce greenhouse gas emissions—and it recognizes the importance of secure land tenure for indigenous peoples and local communities in achieving climate benefits.

In what is a first for many indigenous peoples' and local community organizations, DGM activities are being carried out in a way that meets the high fiduciary and safeguard standards of the World Bank. National DGM projects have been approved in Brazil, Peru, Burkina Faso and the Democratic Republic of the Congo, and some of the first grants to community projects are already being awarded. DGM implementation will only accelerate as more projects take off and funding flows increase in the coming year. The DGM Global Project has begun its second year of implementation and continues to work to meet the challenges of an expanding landscape of climate finance.

The Global Steering Committee wishes to thank everyone who helped to make the implementation of the DGM a reality, including the National and Interim Steering Committees and the National Executing Agencies of Brazil, Burkina Faso, Côte d'Ivoire, Democratic Republic of the Congo, Ecuador, Ghana, Guatemala, Indonesia, Mexico, Mozambique, Lao People's Democratic Republic, Nepal, Peru, Republic of the Congo; the World Bank; the FIP-DGM donors; the Global Executing Agency; and the governments of the FIP pilot countries. We also thank the civil society and local community organizations and networks that helped to facilitate the necessary consultations and outreach, as well as all the indigenous peoples and local communities for their patience and understanding on the long road to realizing the DGM.

The DGM is a piece of a much bigger picture, but it is a vital one. The broad and effective collaboration generated by the DGM is evidence of the multi-stakeholder partnership that is needed to strengthen the capacity of indigenous peoples and local communities to participate in the FIP and other REDD+ programs and to ensure our contributions are incorporated into the climate agenda locally, nationally, and globally.



Kapupu Diwa
*DGM Global Steering Committee Co-Chair,
Democratic Republic of the Congo*



Grace Balawag
*DGM Global Steering Committee Co-Chair,
Philippines*

DGM AT A GLANCE

ABOUT THE DGM

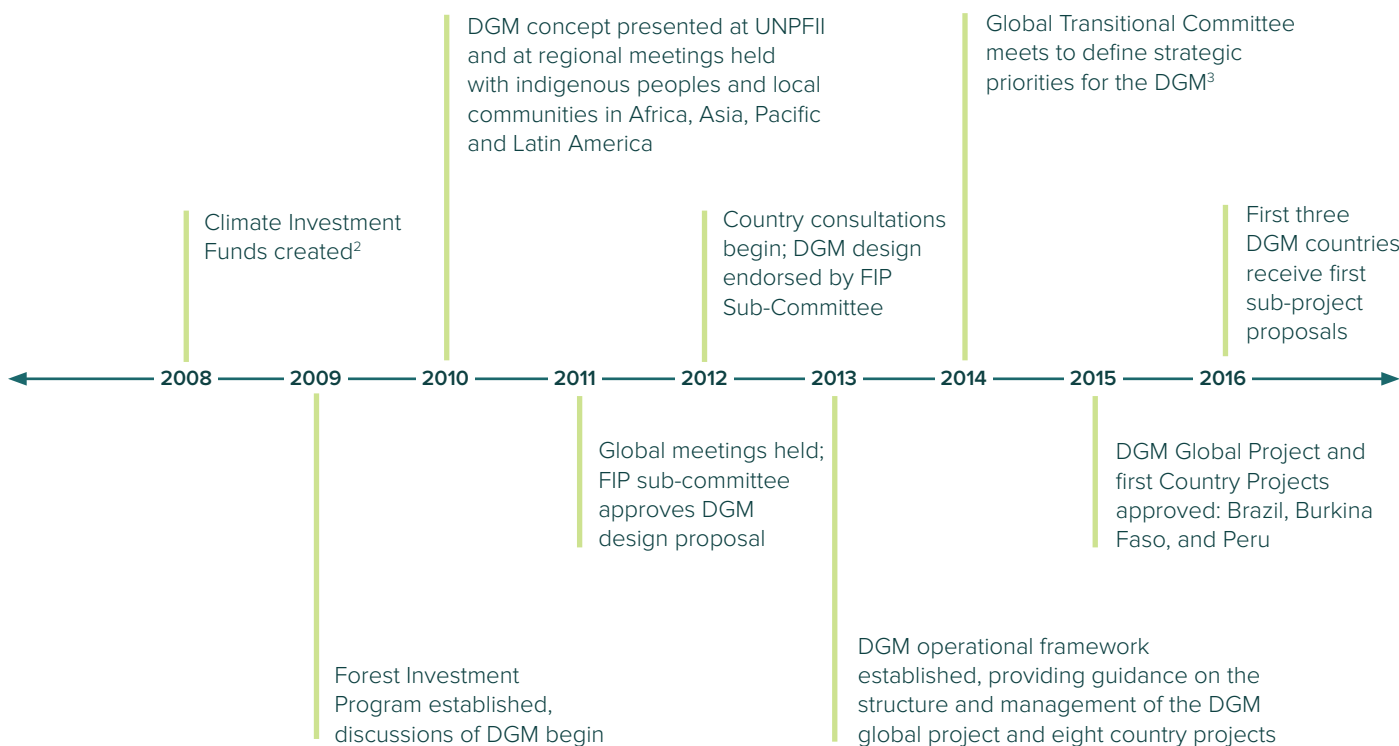
The \$80 million Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) is a one-of-a-kind program of the Forest Investment Program (FIP) designed and led by representatives from indigenous peoples and local communities, in a collaborative effort with the World Bank. The DGM provides these communities direct access to climate finance so they can enhance their capacity to engage in and contribute to dialogue and actions on reducing emissions from deforestation and forest degradation and promoting sustainable forest management and enhancement of forest stocks (REDD+). It is the largest global REDD+ initiative for indigenous peoples and local communities, housed at the World Bank. Activities under the DGM will include:

- Integrating indigenous knowledge in adaptation and mitigation efforts
- Securing and strengthening customary land tenure resource rights
- Fostering knowledge exchange and learning
- Building capacity in communication and outreach
- Strengthening networks and alliances
- Supporting on-the-ground activities, such as traditional forest management systems, community woodlots, tree nurseries, small-scale alternative energy solutions

HISTORY OF THE DGM¹

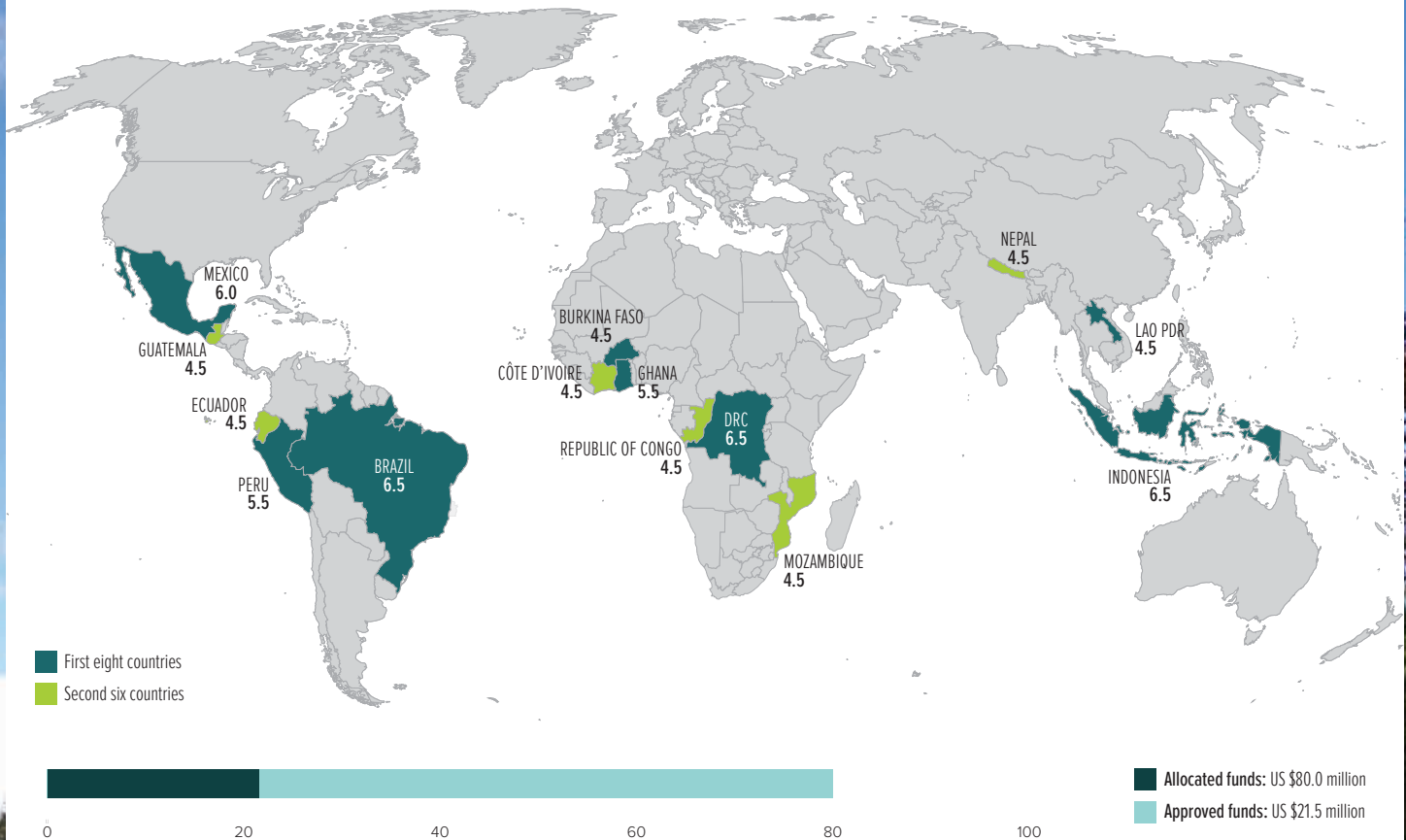
Discussions about a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities began at the earliest stages of the design of the FIP in 2009, when Indigenous Peoples and Local Community observers attending discussions on the design of the FIP stressed the need for dedicated resources to augment their capacity to participate in FIP implementation.

Timeline: 2008-2016



DGM FUNDING

All amounts in millions USD



DGM GOVERNANCE*

The DGM's unique structure includes both a National Steering Committee and a Global Steering Committee, which are the decision-making bodies for the DGM. These committees are selected by, and comprised primarily of, indigenous peoples and local community members, working with MDBs and governments, to continue the partnership model of the FIP, where MDBs and governments collaborate on investment planning and implementation. The two GSC Co-Chairs were selected by their peers, following their years of leadership in the development of the DGM. Supporting these committees are the Global Executing Agency and National Executing Agencies, who handle administrative and fiduciary functions while grant-making decisions are made by the NSCs. The DGM is composed of country projects for 14 FIP pilot countries and a global knowledge sharing project, implemented by the DGM Global Executing Agency, Conservation International.

“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.”

–FIP Design Document

*Governance diagram in Annex, Page 22

COUNTRY PROJECT UPDATES

The DGM consists of a global learning and knowledge exchange project and country projects in the 14 FIP pilot countries: Brazil, Burkina Faso, Côte d'Ivoire, DRC, Ecuador, Ghana, Guatemala, Indonesia, Lao PDR, Mexico, Mozambique, Nepal, Peru, and Republic of Congo.

DGM country projects provide grants and technical support directly to grassroots organizations of indigenous peoples and local communities in target areas. In keeping with the goals of the FIP, funded interventions promote sustainable forest management, traditional livelihoods that contribute to adaptation and mitigation to climate change, and security of land tenure.

In each country, a National Steering Committee, composed of self-selected representatives of indigenous peoples and local community groups, governs the DGM. It approves sub-projects and appoints a qualified local organization to serve as the National Executing Agency to manage national DGM activities.



HOW A DGM COUNTRY PROJECT TAKES SHAPE

Each country has its own process for making grants to “sub-projects” proposed by in-country communities and organizations. In some countries, such as Peru, project intermediaries are identified and invited to submit “master proposals” comprised of multiple sub-projects. Before sub-projects can begin, however, each country project must go through a series of steps:

National Steering Committee (NSC)
established through consultations
with indigenous peoples and local
communities in each FIP country

Project concept approved

**National Executing Agency
(NEA) selected by NSC**

Project appraised
and approved
by FIP Sub-Committee
and World Bank Boards

Grant agreement between
NEA and World Bank signed

Project effective after meeting
grant effectiveness conditions,
including completion of a Project
Operational Procedures Manual

Project funds disbursed

BRAZIL

One of 25 global biodiversity hotspots, Brazil's Cerrado biome is facing rapidly advancing deforestation and degradation. It is home to 15 percent of Brazil's population, including 41 indigenous groups, as well as traditional communities and *quilombolas*. They rely on and steward the region's natural resources, including one of the country's principle watersheds. The most common languages that identify indigenous groups in the Cerrado are Karajá, Aruak, Jê and Tupi-Guarani. DGM Brazil is working to strengthen the engagement of the Cerrado's indigenous peoples and traditional communities in the FIP, REDD+, and other climate change programs at the local, national, and global level. It also aims to contribute to improving livelihoods, land use and sustainable forest management in these groups' territories.*

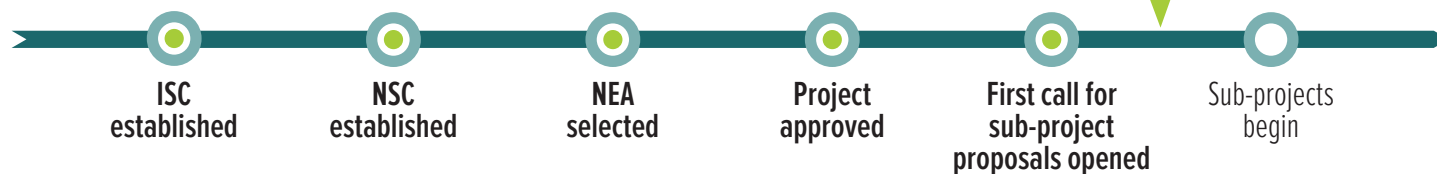
DGM Brazil, the first country project to be approved, opened its first call for proposals from January to May 2016 for sub-projects supporting natural resource management, markets, and responses to immediate threats in the Cerrado. From the 158 proposals received, the NSC selected 41 against pre-established criteria. The NEA is now conducting site visits to further evaluate proposals' relevance, sustainability and community support.



Photo courtesy of CCA/NNM

The DGM Brazil team conducted workshops ahead of the call for proposals to familiarize potential grantees in the Cerrado with the application process.

*Read more about Brazil in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 26



Financing:
US \$6.5 million

Project beneficiaries:
Indigenous peoples, traditional communities, *quilombolas*

NEA:
Centro de Agricultura Alternativa Do Norte de Minas—CAA/NM

NSC composition:
6 voting members, representing indigenous peoples and traditional communities; **3 observers**, representing the Government of Brazil and the World Bank

BURKINA FASO

While Burkina Faso has achieved significant economic growth over the last decade, persistent levels of poverty remain among rural populations that depend on agriculture and natural resource exploitation. Forest resources are critical for livelihoods and the economy, yet mixed-use landscapes hold significant potential as carbon sinks. FIP investments in Burkina Faso support the National REDD+ Strategy by supporting institutional capacity and forest governance, forest mitigation measure and activities outside the forest sector to reduce pressure on forests. DGM Burkina Faso aims to enhance technical and organizational capacities of targeted local communities, improve their economic opportunities, and strengthen their capacity to participate in REDD+ programs locally, nationally, and globally.*

*Read more about Burkina Faso in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 33

Following five regional and 12 local community workshops to introduce the DGM, The Burkina Faso project launched its first call for sub-project proposals from June to July 2016. A total of 600 proposals were received. They will be rated against key social and environmental criteria, and field visits will be conducted to verify feasibility. Final selection and grant disbursements are expected in Fall 2016.



DGM Burkina Faso held 17 capacity-building workshops to introduce the DGM to local stakeholders and partners, including this one in Matiacoali

Photo courtesy of IUCN-Burkina Faso

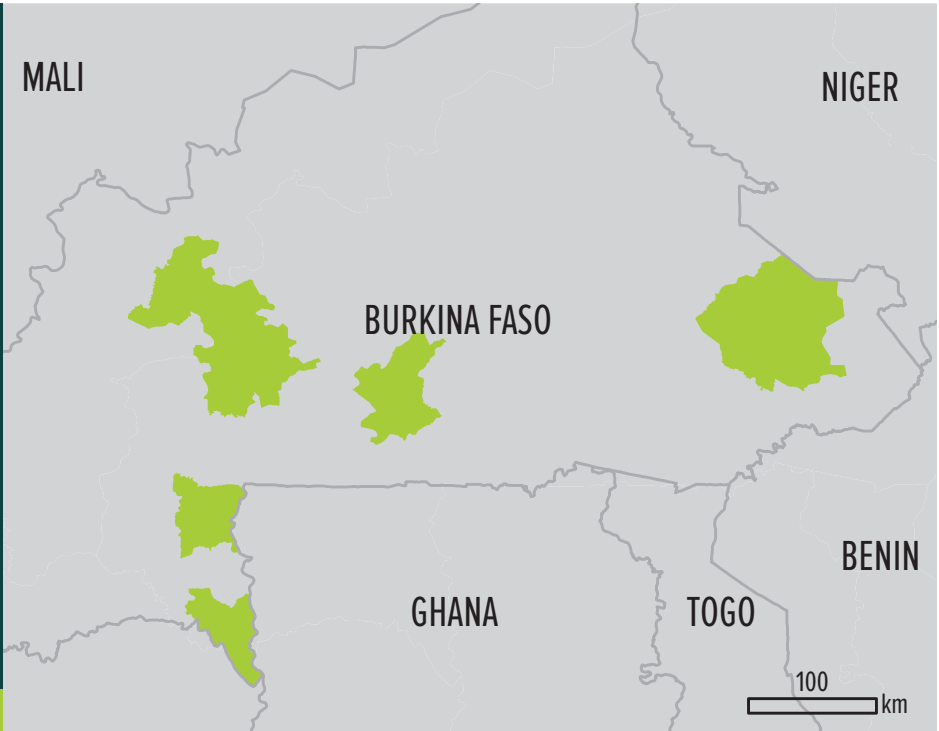



Financing:
US \$4.5 million

Project beneficiaries:
Local communities

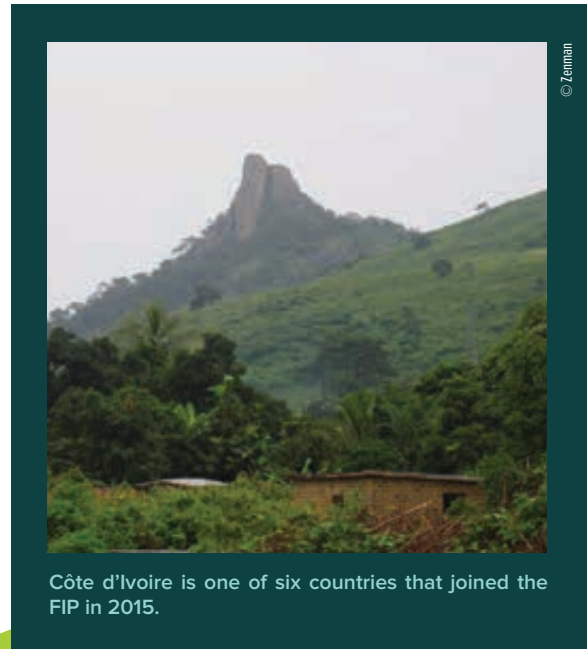
NEA:
IUCN-Burkina Faso

NSC composition:
Voting members—11 representatives from FIP investment regions;
Observers—2 government representatives, 4 civil society representatives, 1 private sector representative, 2 territorial collective representatives, 2 technical and financial partners



CÔTE D'IVOIRE

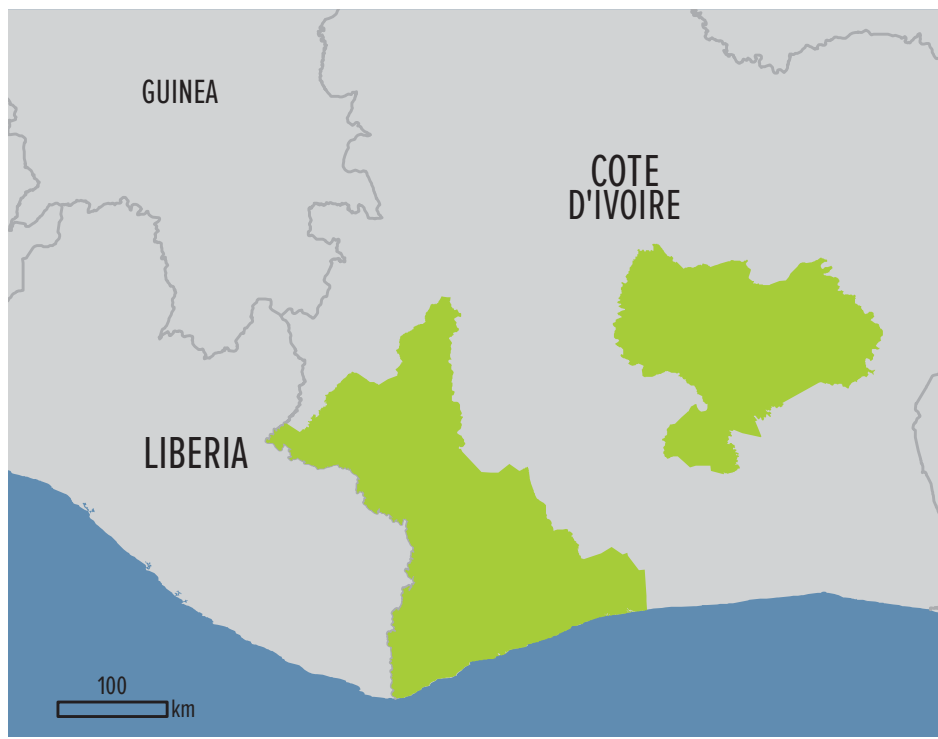
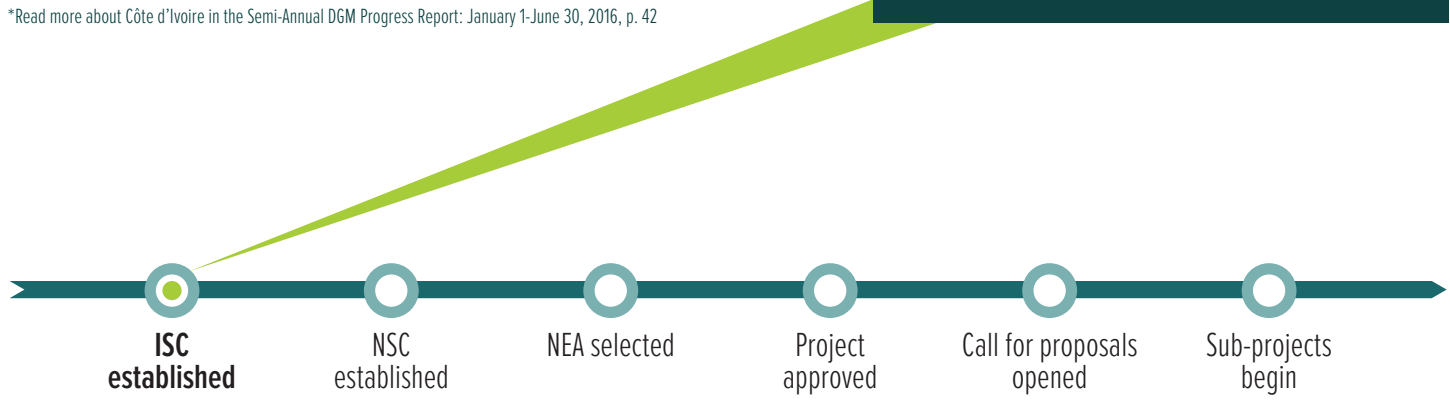
Côte d'Ivoire's forests offer huge potential and rich biodiversity, but the country has one of the highest rates of deforestation in sub-Saharan Africa. Funding from the FIP will focus on restoring the country's forest cover by working with small-scale farmers to introduce agroforestry techniques and improve agricultural productivity, as well as securing contractual rights and land tenure. The FIP investment plan will also contribute to the protection of the vast forest area of Tai National Park—a world heritage site and one of the last major remnants of pristine forest in West Africa—conserving its biodiversity and carbon stocks. DGM Côte d'Ivoire will reinforce FIP investments by bolstering grassroots activities in the Central Region (Gbèkè, Bélier, Iffou, N'Zi, Moronou) and the Southwest Region (San Pedro, Gboklè, Guémon, Cavally, Nawa).*



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Côte d'Ivoire is one of six countries that joined the FIP in 2015.

*Read more about Côte d'Ivoire in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 42



Financing:
US \$4.5 million

Project beneficiaries:
Local communities

ISC composition:
12 members—1 from each of the 10 DGM investment areas, plus 1 women's and 1 youth representative. Observers will be added in the future.

DEMOCRATIC REPUBLIC OF THE CONGO

The Democratic Republic of the Congo (DRC) is home to the largest forest biome in Africa, covering nearly two-thirds of its territory. Over 40 million people depend on DRC’s forests for their livelihoods. With major investments being made to improve infrastructure and energy capacity, the government is pursuing a national REDD+ strategy to reduce emissions and manage land use. The FIP is supporting these efforts, with DGM DRC focusing on strengthening indigenous and local communities’ ability to participate in the FIP and other REDD+ processes. DGM DRC also seeks to build legitimate and transparent national and provincial representation to promote indigenous interests on land tenure and pilot cases to secure their rights over forested land while supporting alternative development activities. The FIP and DGM will focus on forestry supply areas surrounding three major cities in the Provinces of Bas-Congo, Bandundu, Kinshasa.*

The DRC Chief of Staff to the Minister of Environment, Conservation of Nature, and Sustainable Development was present—along with 40 other stakeholders—at a ceremony in Kinshasa on April 25, 2016 to announce the DGM country project. The following day, Caritas Congo ASBL signed a grant agreement with the World Bank to become the National Executing Agency for the DRC.



The DGM DRC Project launch ceremony was held in Kinshasa prior to the second meeting of the DGM Global Steering Committee.

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*Read more about DRC in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 42



Financing:
US \$6.0 million



Project beneficiaries:
Indigenous peoples and local communities in 16 target territories

NEA:
Caritas Congo ASBL

NSC composition:
24 members—representatives of the 16 territories targeted by the DGM and 8 representatives from REPALEF (the network of indigenous peoples and local communities for the sustainable management of forest ecosystems); plus **Observers**



GHANA

Nearly 800,000 families are involved in cocoa production in Ghana, the main income generator in the country. Cocoa is also responsible for half of Ghana's deforestation, which is occurring at a rate of two percent per year, one of the world's highest. Improved cocoa production and reforestation are priorities of DGM Ghana, which will target the Brong-Ahafo and Western regions. Forest fires and the shortage of land for planting projects are also a concern to potential DGM beneficiaries. DGM Ghana will focus on promoting economic development and improving practices for climate-smart sustainable forest management and on building local leadership, management, and technical skills. The FIP will fund a mix of coordinating, enabling, piloting and large-scale activities, designed to provide a significant transformative effect on agriculture and high carbon forests*

The DGM TSC Ghana held its first meeting in Accra in February 2016. Thirteen representatives from local communities of the Brong-Ahafo and Western regions were introduced as NSC members. Sixteen civil society organizations, the World Bank, and representatives from the Government of Ghana also attended, as well as members of DGM global steering committee and executing agency to report on progress in other DGM countries.



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The first Ghana Interim Steering Committee meeting took place in February.

*Read more about Ghana in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 48



Financing:
US \$5.5 million

Project beneficiaries:
Forest fringe communities

NSC composition:
1 to 2 representatives from each of the 11 districts in the investment regions

INDONESIA

Indonesia is endowed with the third largest tropical forest area in the world—a valuable resource for the country and a globally important carbon sink and biodiversity habitat. The Ministry of Forestry Strategic Planning for 2010–2014 stated there were approximately 48.8 million people dwelling on forest lands, including 10.2 million living in poverty. Land governance in Indonesia is complex, creating barriers for forest-dependent groups to defend land rights and livelihoods. The FIP Investment Plan in Indonesia seeks to reduce barriers to sub-national REDD+ implementation and to increase provincial and local capacity for REDD+ and sustainable forest management through the national forest system and ongoing tenure reform processes. This creates an opportunity for indigenous peoples (*adat*) and local communities to resolve unclear land tenure, considered an underlying driver of deforestation and forest degradation. DGM Indonesia aims to secure land titles for indigenous communities.*

In June 2016, a DGM team from Indonesia visited Peru and Brazil to exchange experiences and shared interests with DGM counterparts. The exchange explored models for granting indigenous people and local communities greater tenure security over forest lands and for achieving sustainable natural resource management that is sensitive to traditional cultures.



The DGM Indonesia delegation met with the indigenous community of Santa Rosa, Peru to learn about project activities supported by DGM Peru.

Photo courtesy of Budi Rahardjo

*Read more about Indonesia in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 26



Financing:

US \$6.5 million

Project beneficiaries:

Indigenous peoples and local communities

NEA:

Samdhana Institute

NSC composition:

Members—1 representative of each of the 7 implementation regions, plus 1 local community women’s representative and 1 indigenous women’s representative;
Observers—1 government representative and 1 representative of the National Forestry Council



MEXICO

Mexico's forests cover close to one-third of the country's land area and represent an essential source of employment, income and livelihood for some 12 million people. Seventy percent of Mexico's forests are governed as *ejidos*, a community-based tenure system unique to Mexico. In addition to their important economic and social roles, Mexico's forests also contain some of the highest levels of biological diversity in the world. While Mexico is a recognized leader in forest management, with over 2,000 communities taking charge, unsustainable land management practices, such as logging, forest grazing, fuel wood collection and fires, threaten resources. Climate change exacerbates the situation. The FIP investment plan in Mexico focuses on increasing institutional and local capacity in REDD+, and on promoting sustainable rural development and community forest enterprises while addressing the direct and underlying causes of deforestation and degradation. To complement the national REDD+ strategy, DGM Mexico targets support to indigenous and local communities in the Yucatan, Oaxaca, and Jalisco regions.*

The 2016 FIP Pilot Countries Meeting in Oaxaca in June highlighted the role of the DGM in fostering lasting change in the way indigenous peoples and local communities are involved in decision making about forests, particularly its support to capacity building among communities. DGM Mexico gave an update on in-country progress, as did DGM Peru and Brazil.



Manuel Aldrete (second from left) of the DGM Mexico National Steering Committee gave an update at the FIP Pilot Countries meeting.

Photo courtesy of Madhavi Pillai

*Read more about Mexico in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 56




Financing:
US \$6.0 million

Project beneficiaries:
Indigenous peoples and local communities

NSC composition:
15 members from 3 regional sub-committees

MOZAMBIQUE

Forests cover about half of Mozambique’s territory. Forest-based activities and industries are important contributors to the Mozambican economy and a major source of livelihoods in rural areas, where more than 70 percent of the population lives. These communities are heavily dependent on forests and natural resources for their livelihoods. They provide numerous essential goods and services for subsistence, cash income, and cultural reasons. The FIP will finance enabling forest policy reforms and a landscape approach in two specific landscapes, in Cabo Delgado and Zambezia Provinces to fully explore the public and private synergies to be brought about across the national and landscape levels and across sectors to achieve transformational change. DGM Mozambique plans to build the capacity of local communities in FIP target areas to improve participation in sustainable land management and REDD+ processes at local, national and global levels.*

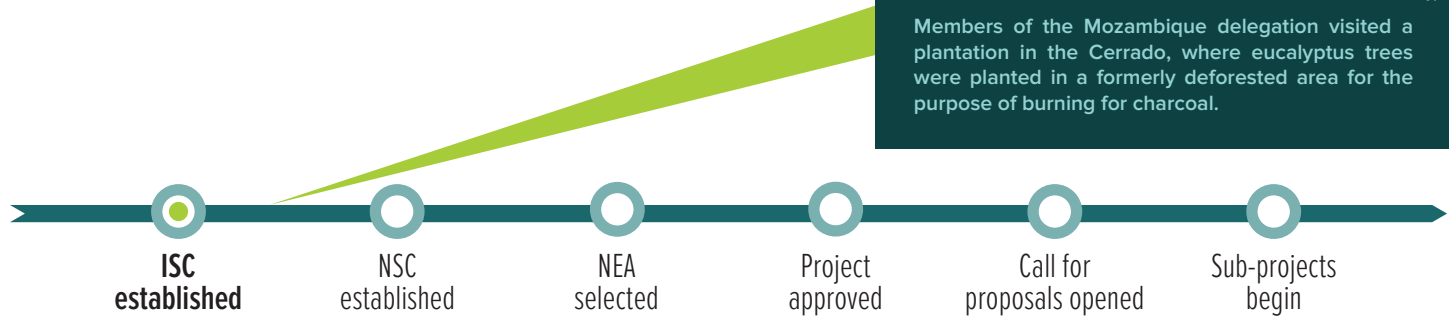
*Read more about Mozambique in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 60

Members of the Mozambique Interim National Steering Committee had the opportunity to participate in a South-South knowledge exchange hosted by Brazil’s NEA. Brazil was able to share lessons on project design and fostering community ownership through their consultation process, which could eventually be replicated in Mozambique.



Members of the Mozambique delegation visited a plantation in the Cerrado, where eucalyptus trees were planted in a formerly deforested area for the purpose of burning for charcoal.

Still from video: Brazil-Mozambique Knowledge Exchange © World Bank

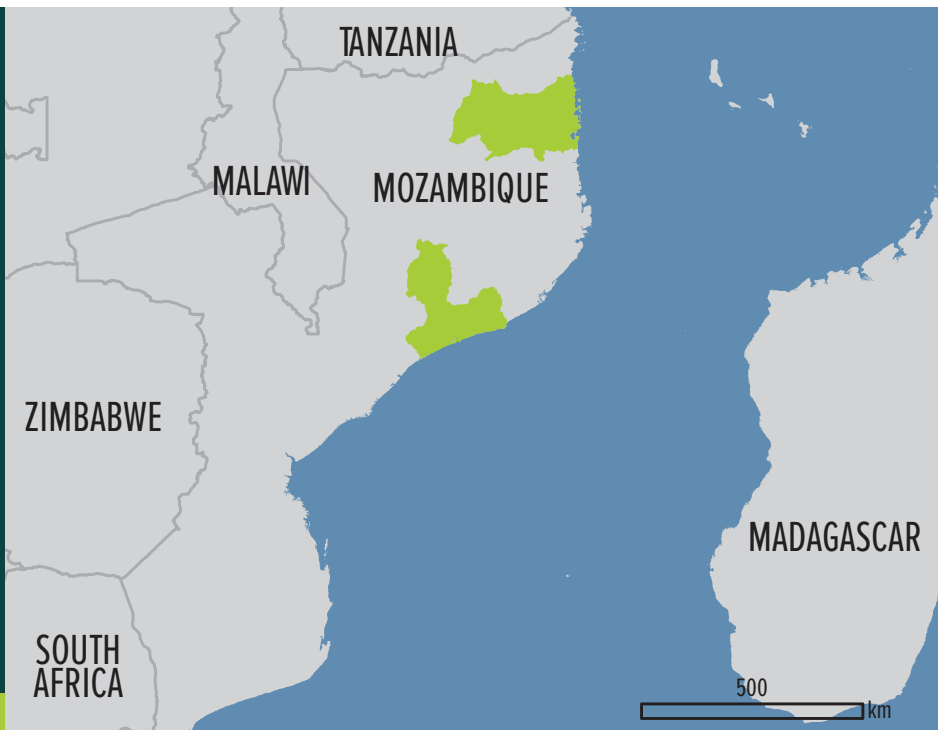


Financing:
US \$4.5 million



Project beneficiaries:
Local communities

ISC composition:
Members—15 representatives from the north, center, and south regions of the country, mainly from civil society organizations that work closely with local communities, and 6 representatives (including 2 women) of the Committee of Natural Resource Management (CGRN) to represent local communities; **Observers** from government (Ministry of Land, Environment and Rural Development), private sector, the FIP Coordinator, and the World Bank.



PERU

Peru is one of the world’s 12 megadiverse countries with most of its biodiversity found in over 73 million hectares of forest in the Peruvian Amazon. Nearly 15 million hectares of this vital landscape are owned or managed by the approximately 2,250 indigenous communities, although their land rights have not been fully recognized. Nearly half of Peru’s greenhouse gas emissions comes from deforestation, the bulk of which occurs in areas without legally allocated land titles. Territorial reserves, including indigenous lands and protected areas, see lower deforestation rates. DGM Saweto Peru aims to support indigenous communities in the Peruvian Amazon in their efforts to improve their sustainable community forest management practices and address land titling issues. This will, in turn, make a significant contribution to reducing deforestation and degradation. The FIP will invest in integrated forest landscape management in Atalaya, Ucayali; Tarapoto–Yurimaguas, San Martín-Loreto; and Puerto Maldonado-Iñapari, Madre de Dios that are particularly vulnerable to deforestation and have the potential to produce the most social and environmental co-benefits.*

DGM Saweto Peru invited 18 regional indigenous organizations and federations to submit “master proposals” with preparation support from the NEA. In May and June 2016, the NSC met to evaluate the 18 master proposals, which contained 33 sub-projects (13 for legal recognition of communities, 10 on land titling, and 10 on community forest management). Sub-project implementation is expected to begin in 2017.



Meetings were held with indigenous organizations and federations in Peru to introduce the DGM.

Photo courtesy of WWF-Peru

*Read more about Peru in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 66




Financing:
US \$5.5 million

Project beneficiaries:
Indigenous peoples

NEA:
WWF-Peru

NSC composition: 5 Representatives of Asociación Interétnica de Desarrollo de la Selva Peruana (AIDSESP), 5 Representatives of Confederación de Nacionalidades Amazónicas del Perú (CONAP)

REPUBLIC OF THE CONGO

The Republic of Congo's forest covers about 65 percent of the country, with low rates of deforestation and forest degradation (0.08 percent or 17,000 ha per year). Forests are an important resource for the country's many indigenous peoples and local communities. According to a 2009 census, 10 percent of its 4.4 million inhabitants are indigenous peoples. Seventy percent of them live in the departments of Likouala, Sangha, Plateaux, Pool, and Brazzaville—also the target areas of FIP and DGM investments. Although the Republic of Congo is involved with REDD+, indigenous peoples and local communities have not previously been engaged. By promoting the inclusion of IPLCs in the REDD+ process, the DGM Republic of Congo aims to demonstrate indigenous and traditional solutions for sustainable development and advance indigenous rights.*

In June 2016, the DGM Congo Technical Working Groups conducted field visits to introduce the DGM and raise awareness among indigenous peoples and local communities in target areas. They met with village leaders, community members, government officials, managers and companies working with communities.



Photo courtesy of Guy Moussele-Diseke

Republic of Congo Transitional Steering Committee member Guy Moussele-Diseke was among those who made visits to communities in the DGM target areas.

*Read more about Republic of Congo in the Semi-Annual DGM Progress Report: January 1-June 30, 2016, p. 37



Financing:
US \$4.5 million



Project beneficiaries:
Indigenous peoples and local communities

ISC composition:
Members—10 indigenous peoples representatives, 12 local community representatives, plus **Observers** from government ministries and the World Bank



The following four countries are in the preliminary preparation phase of the DGM project and—for all but Lao PDR—FIP investment plans.

ECUADOR

While it is the smallest Andean country, Ecuador encompasses four distinct bio-geographic regions of the Amazon, the Andes, the Pacific coastal plains and the Galapagos Islands. In conjunction with the World Bank, FAO, UNDP, and UNEP, Ecuador is partnering with the CIF to leverage FIP funding and ensure long term sustainability of conservation and forestry efforts. FIP resources, along with REDD+ activities and ongoing government efforts, are expected to strengthen rural productive systems and mitigate agricultural drivers of deforestation. The potential of FIP investments in Ecuador indicates significant impacts that will initiate transformational change, while working in synergy with ongoing efforts to mitigate climate change and to promote forest sector development.⁴



GUATEMALA

The most recent estimate (2010) indicates that forest coverage in Guatemala is about 34 percent of national territory. Guatemala has a population of 16 million inhabitants, with over half living in poverty. Half of the population lives in rural areas that depend on timber for livelihoods. In Guatemala, the main drivers of deforestation (about one percent annually) are changes in land use, agriculture, livestock, illegal logging, and forest fires. Over the past 16 years, the country has invested more than US \$270 million in forest incentive programs, which have benefited more than 900,000 forest-dependent people, including women and indigenous peoples. Building on this, Guatemala is partnering with the CIF to leverage FIP funding, in conjunction with the World Bank, IADB, and the UN-REDD program to strengthen the implementation of the national forest incentive programs, enhance the participation of the private sector, local communities and indigenous peoples in the sustainable forest management, and improve forest governance. Land tenure security remains a major obstacle for indigenous peoples and local community organizations, which have managed large forest concessions in the Maya Biosphere of the Petén region and communal forest management in other northern Departments of Guatemala.⁵



LAO PEOPLE'S DEMOCRATIC REPUBLIC

Forests in the Lao People's Democratic Republic (Lao PDR) cover about 40 percent of the country, the highest percentage in Southeast Asia. However, the total forest area has been declining dramatically in recent years—down from 70 percent of the land area in 1940.⁶ Lao PDR has a multi-ethnic population of over 5.6 million people living in more than 10,000 villages across the country. Three of the four main ethno-linguistic groups are concentrated in rural areas, especially in the north and east of the country where forest coverage is heavier. These groups are dependent on timber and non-timber forest products to varying extents. FIP investments in Lao PDR will prioritize activities that enable direct and participatory management of forests, such as those that build capacity of local communities to participate in decision making and monitoring, reporting and verification systems. FIP stakeholders agree that the DGM should complement FIP investments and help achieve overall REDD+ objectives by channeling funds directly to meet the actual needs of the local people in FIP investment areas.⁷

Lao PDR has not yet proceeded with establishing the DGM structure, nor named an Observer to the DGM.



NEPAL

Nepal is the fourth most climate vulnerable country in the world due to its harsh geography, largely impoverished and natural resource-dependent population, and weak institutional capacity to manage the climate challenges it faces. Much of Nepal's forests are degraded, making them increasingly prone to forest fires. Moreover, the effects of climate change are expected to intensify extreme weather events and other climate risks in the region. Over 450,000 households are landless in Nepal, and land tenure is insecure even in the case of community forests, but particularly affecting *Dalits*, indigenous peoples and women. In Nepal, the REDD+ processes supported by the FCPF and FIP are coordinated. The Government of Nepal indicated that it wishes to consider the use of FIP investments in areas identified in the FCPF Emission Reduction Program as well as for national activities, including building the capacity of the private sector to invest in Nepal's forests.⁸



GLOBAL OUTREACH

As the first funding mechanism which puts climate finance directly in the hands of indigenous peoples and local communities, the DGM is leading the way for direct access. Representatives of the DGM have been attending global meetings throughout the year to share their experiences with other indigenous peoples' and local community representatives, funders, and governments.

World Forestry Congress

Durban, South Africa • September 2015

The theme of the 14th World Forestry Congress was “Forests and People: Investing in a Sustainable Future,” emphasizing the role of forests in income generation and equity, the vital links between forests and climate change, and exploring governance structures that best promote implementation of sustainable management of forests. This provided an opportunity for GSC Co-chair Kapupu Diwa, and Joseph Itongwa, National Coordinator of the Network of Indigenous Peoples and Local Communities for the Sustainable Management of Forest Ecosystems in the Democratic Republic of Congo (REPALEF-DRC), to highlight the DGM and the role of indigenous peoples as sustainable forest managers.



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COP21

Paris, France • December 2015

The 21st meeting of the UNFCCC Conference of the Parties was a momentous occasion, not only for global efforts to confront climate change, but in the recognition of indigenous peoples' contributions to these efforts. In addition to participating in and following the negotiations, DGM representatives were invited to share their work with the DGM at both the IUCN Pavilion and the Indigenous Peoples' Pavilion. Now in Year 2 of the Global Project, the GEA has begun training participants at regional trainings on negotiation skills to enhance their engagement at future COPs.



CBA 10

Dhaka, Bangladesh • April 2016

The 10th International Conference on Community-Based Adaptation to Climate Change (CBA10) focused on enhancing urban community resilience. George Weyasu of DGM Indonesia was one of four speakers on a panel about Financing Urban CBA, providing an overview of the DGM. Weyasu discussed the importance of creating innovative funding models that integrate indigenous communities in decision-making processes and streamline their access to funding, linking it to the conference theme by discussing the benefits and challenges of involving marginalized urban communities in funding allocation decisions to ensure successful adaptation.

UN Permanent Forum on Indigenous Issues

New York, NY, USA • May 2016

Since May 2002, the United Nations Permanent Forum on Indigenous Issues has met yearly to provide expert advice and recommendations on indigenous issues to the UN Economic and Social Council, and to raise awareness and promote the integration and coordination of activities related to indigenous issues within the UN system. Attended by more than 1,000 representatives of indigenous and civil society organizations in 2016, the spring meeting is one of the world's largest gatherings of indigenous peoples. Indigenous participants from Asia, Africa, Latin America and Russia attended a side event hosted by the DGM GEA, where DGM GSC Co-chair Grace Balawag and DGM Peru representative Marilen Puquio discussed how funds directly governed by IPLCs can contribute to adaptation, mitigation, and conflict resolution.



Forest Investment Program (FIP) Pilot Countries Meeting

Oaxaca, Mexico • June 2016

Like the FIP, the broader funding mechanism of which it is a part, the DGM supports developing countries' efforts to reduce deforestation and forest degradation and promote sustainable forest management (REDD+). FIP and DGM investments are designed to complement each other and maximize collaboration among stakeholders. An exchange at the FIP Pilot Countries Meeting in Oaxaca brought together some of these stakeholders, who are involved in the design and implementation of the DGM at the national and global levels. The exchange focused on the role of indigenous peoples and local communities in the sustainable management and conservation of forests, particularly within FIP investment plans. Speakers discussed progress in establishing the DGM at the national and global levels, the first projects financed by the DGM in Peru and Brazil, and opportunities for coordination and collaboration among the DGM and other FIP-funded projects.



GLOBAL GOVERNANCE

The DGM Global Steering Committee meets yearly to make decisions on the following year's activities and budget within the Global Project. Facilitated by the Global Executing Agency, which functions as the secretariat for the Global Steering Committee, GSC members also establish important elements of DGM Global Project governance, including launching the Grievance Redress Mechanism.

First annual meeting of the Global Steering Committee

Bali, Indonesia • July 2015

The first meeting of the official DGM Global Steering Committee was convened in July 2015, with the objective of reinforcing the importance of the intellectual and policy leadership of the GSC to the overall DGM process and strengthening protocols for GSC decision-making based on self-designed operating guidelines. The GSC debated and approved the Global Project Five Year Strategy and Year One Work Plan and Budget, which defined the activities for the Global Project. Discussion also included updates on the status of DGM Country Projects; updates on the status of the six new FIP countries identified in May 2015; presentation by the GEA and discussion by members of the Draft GSC Rules and Procedures; presentation and discussion of the DGM Grievance Redress Mechanism; and discussion of communications for the DGM. Participating GSC Members included representatives from the Country Projects in Brazil, DRC, Indonesia, Mexico, and Peru, as well as the GSC Member from the Philippines.



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NEA meeting

Arlington, VA • January 2016

In January, the GEA hosted a workshop with representatives from the NEAs in Brazil, Burkina Faso, Democratic Republic of Congo, Indonesia, and Peru, plus one DGM Global Steering Committee Co-chair. Discussions focused on how DGM global and country components can work together to deliver on the historic opportunity to demonstrate how direct access to climate funding by IPLCs can work. Topics of discussion included establishing a common global monitoring and reporting framework, sharing early experiences on implementation, identifying elements of the DGM Grievance Redress Mechanism, and identifying common messages among countries to achieve common goals.



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Second annual meeting of the Global Steering Committee

Kinshasa, DRC • April 2016

Global Steering Committee members from Burkina Faso, DRC, Ghana, Indonesia, Mexico, and Philippines were joined by observers from the DGM Country Projects in Côte d'Ivoire, Mozambique, and Republic of Congo for the DGM's second annual Global Steering Committee meeting in Kinshasa, DRC. During the meeting, they shared country updates and approved the Year 2 Work Plan and Budget for the Global Project, a common Monitoring and Reporting Framework for the program, a Grievance Redress Mechanism and Complaint Procedure, and a Communications Plan.



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Grievance Redress Mechanism launched

Kinshasa, DRC • April 2016

The newly approved Grievance Redress Mechanism (GRM) is one of the DGM Global Project's core accountability measures, and the GSC will implement the mechanism in close coordination with NSCs in each country. By operating the Grievance Redress Mechanism in a way that incorporates customary decision-making and conflict resolution procedures already existing in most indigenous territories, the GSC will set an important precedent that will serve as an emerging good-practice example for grievance redress led by indigenous peoples, and ideally, will influence the design of further project-level mechanisms elsewhere.



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GLOBAL STEERING COMMITTEE COMPOSITION

FIP COUNTRY REPRESENTATIVES

BRAZIL

Mr. João Nonoy Krikati
Terra Indigena Krikati

BURKINA FASO

Mr. Idrissa Zeba
Fondation Naturama

DEMOCRATIC REPUBLIC OF CONGO

Mr. Kapupu Diwa Mutimanwa (co-chair)
REPALEAC

GHANA

Mr. Hayford Duodu
Enchi District

INDONESIA

Ms. Mina Setra
AMAN

MEXICO

Mr. Manuel Aldrete
Consortio Chiclero de Quintana Roo y Campeche

PERU

Ms. Marilen Puquio Arturo
CONAP

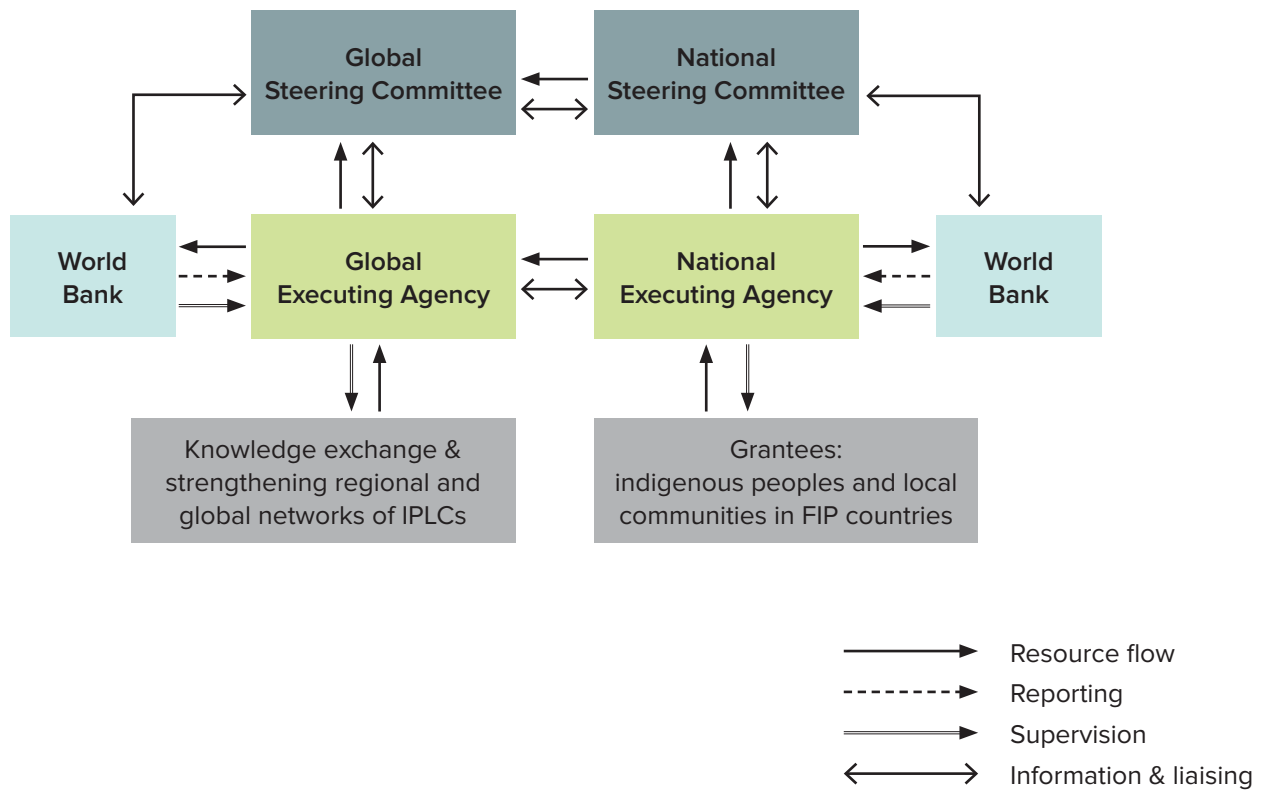
Mr. Jamner Manihuari Curitima
AIDSESEP

NON-FIP COUNTRY REPRESENTATIVE

Ms. Grace Balawag (co-chair)
Tebtebba
Philippines

ANNEXES

DGM GOVERNANCE STRUCTURE



FINANCIAL INFORMATION

FIP CONTRIBUTIONS

As of December 31, 2015 (in USD million)

Contributor	Contribution Type	PNs Outstanding USDeq. a/	Cash Receipts USDeq. b/	Total Contributions Received	Pledges and Contribution Receivable USDeq. a/	Total Pledges and Contributions USD eq.
Australia	Grant	-	35.3	35.3	-	35.3
Denmark	Grant	-	10.3	10.3	-	10.3
Japan	Grant	-	50.6	50.6	-	50.6
Norway	Grant	-	142.1	142.1	-	142.1
Spain	Grant	-	13.0	13.0	-	13.0
Sweden	Grant	-	14.5	14.5	-	14.5
United Kingdom	Capital	83.9 c/	67.7	151.6	-	151.6
United States	Grant	-	108.0	108.0	60.0	168.0
Total		83.9	441.5	525.4	60.0	585.4

FOREST INVESTMENT PROGRAM

Endorsed investment plans (IP) and approved projects (by FIP Sub-Committee) as of December 31, 2015

PROJECT TITLE	PROJECT DESCRIPTION	GHG REDUCTION (Mt CO2e)	AREA SUPPORTED (ha)	LIVELIHOOD BENEFICIARIES (people)	TARGETS		EXPECTED COFINANCING (US\$ M)
					MDB	FIP FUNDING (US\$ M)	
Program Framework and Funding Proposal for the DGM Global Component Project	Strengthen the capacity of indigenous peoples and local communities to participate in the FIP and other REDD+ programs at local, national, and global levels	-	-	-	IBRD	4.7	-
DGM Brazil	Enhance the capacity of indigenous peoples and local communities in Brazil, with focus on the Cerrado biome, to engage in FIP and other REDD+ processes and activities at the local, national and global levels in order to improve the effective sustainable management of natural/forest resources	-	-	6,000	IBRD	6.5	-
DGM Burkina Faso	Strengthen the capacity of local communities in the targeted regions of Burkina Faso to participate in REDD+ programs at local, national, and global levels	-	50,000	50,000	IBRD	4.5	-
DGM Peru	Support indigenous peoples in selected communities in the Peruvian Amazon in their efforts to improve sustainable forest management practices	-	780,000	48,100	IBRD	5.5	-
Forest-Dependent Community Support Project for Democratic Republic of Congo	Empower targeted indigenous peoples and local communities to benefit from and engage in REDD+ policies and FIP activities	-	-	-	IBRD	6.0	-
Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM): \$50 million endorsed Nov-13 + \$30 million endorsed Oct-15							

a/ Represents the value of outstanding promissory notes based on the end of reporting period exchange rates.

b/ Includes cash receipts and encashed promissory notes.

c/ This amount represents USD equivalent of GBP 57 million

DGM GLOBAL PROJECT TIMELINE

YEAR 1: JULY 1, 2015 - JUNE 30, 2016

JULY 2015

FIRST ANNUAL GLOBAL STEERING COMMITTEE (BALI)



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OCTOBER 2015

DGM SAWETO PERU LAUNCHED (LIMA)



© Conservation International/photo by Olaf Zerbock

DECEMBER 2015

COP 21 (PARIS)



© UNFCCC Flickr

SEPTEMBER 2015

WORLD FORESTRY CONGRESS (DURBAN)



© FAO

NOVEMBER 2015

INDONESIA PROJECT CONCEPT APPROVED

BRAZIL NSC OFFICIALLY RECOGNIZED BY THE BRAZILIAN GOVERNMENT



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APRIL 2016

GLOBAL GRIEVANCE REDRESS MECHANISM LAUNCHED

CBA 10 (DHAKA)

SECOND ANNUAL GSC MEETING (KINSHASA)

JUNE 2016

INDONESIA – BRAZIL – PERU KNOWLEDGE EXCHANGE

BURKINA FASO OPENS FIRST CALL FOR PROPOSALS

FIP PARTNERSHIP MEETING (OAXACA)

JANUARY 2016

GEA - NEA MEETING (WASHINGTON, DC)



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FEBRUARY 2016

BRAZIL, PERU OPEN FIRST CALL FOR SUB-PROJECT PROPOSALS

GHANA NSC ESTABLISHED



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MAY 2016

SBSTA 44 (BONN)

MOZAMBIQUE-BRAZIL KNOWLEDGE EXCHANGE

UN PERMANENT FORUM ON INDIGENOUS ISSUES (NEW YORK)



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KEY

GLOBAL EVENTS (NON-DGM)

GLOBAL EVENTS (DGM)

COUNTRY EVENTS

ACRONYMS

AIDSESP	<i>La Asociación Interétnica de Desarrollo de la Selva Peruana/Interethnic Association for the Development of the Peruvian Rainforest</i>
CCA/NM	<i>Centro de Agricultura Alternativa do Norte de Minas/Center for Alternative Agriculture</i>
CI	Conservation International
CIF	Climate Investment Funds
COMIFAC	<i>Commission des Forêts d'Afrique Centrale/The Central African Forest Commission</i>
CONAP	<i>Confederación de Nacionalidades Amazónicas del Perú/Confederation of Amazonian Nationalities of Peru</i>
COP	Conference of the Parties (of the UNFCCC)
CSO	Civil Society Organization
DGM	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (of the Forest Investment Program)
DRC	Democratic Republic of the Congo
FIP	Forest Investment Program (of the Climate Investment Funds)
GEA	Global Executing Agency (of the DGM Global Project)
GSC	Global Steering Committee (of the DGM)
IPLCs	Indigenous Peoples and Local Communities
ISC	Interim Steering Committee
IUCN	International Union for Conservation of Nature
NGO	Non-governmental organization
NEA	National Executing Agency (of the DGM Country Projects)
NSC	National Steering Committee (of the DGM Country Projects)
REDD+	Reducing Emissions from Deforestation and Forest Degradation Plus the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries
REPALEF	<i>Réseau des Populations Autochtones et Locales pour la Gestion durable des écosystèmes forestiers en RDC/Network of Indigenous and Local Populations for the Sustainable Management of forest ecosystems in the DRC</i>
SBSTA	Subsidiary Body for Scientific and Technological Advice
UNFCCC	United Nations Framework Convention on Climate Change
UNFPII	United Nations Permanent Forum on Indigenous Issues
WWF	World Wildlife Fund

ENDNOTES

- ¹ https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/fip_design_proposal_dgm_for_ips_and_lc_final_november2011.pdf
- ² [Meeting of the Transitional Committee for the Global Component of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities of the Forest Investment Program, 17-19 September, Arlington, VA. USA](#)
- ³ <https://www-cif.climateinvestmentfunds.org/country/ecuador>
- ⁴ <https://www-cif.climateinvestmentfunds.org/country/guatemala>
- ⁵ <https://www-cif.climateinvestmentfunds.org/country/lao-peoples-democratic-republic>
- ⁶ <https://www-cif.climateinvestmentfunds.org/sites/default/files/FIP%204%20Lao%20PDR%20IP.pdf>
- ⁷ <https://www-cif.climateinvestmentfunds.org/country/nepal>

Contact the Dedicated Grant Mechanism
for Indigenous Peoples and Local Communities:

 dgmglobal.org

 [@dgmgea](https://www.facebook.com/dgmgea)

 [@dgm_global](https://twitter.com/dgm_global)

 dgmglobal@conservation.org

About the cover photo:

One of the 41 projects supported from the first DGM Brazil call of proposals is called “Sementes da Vida” (“Seeds of life”), and will be implemented by the Xavante Ripá Association of Productivity and Ethnodevelopment. It is a market-oriented project, with the goal of strengthening the autonomy and control in production processes of native seeds. This photo is from a community meeting to assess the quality of their seeds. Photo courtesy of Xavante Ripá Association of Productivity and Ethnodevelopment.

