

CLIMATE INVESTMENT FUNDS

FIP/SC.12/5
June 9, 2014

Meeting of the FIP Sub-Committee
Montego Bay, Jamaica
June 28, 2014

Agenda Item 4

**DEDICATED GRANT MECHANISM
FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES:
FUNDING PROPOSAL FOR THE DGM PROJECT FOR BRAZIL**

Proposed Decision

The FIP Sub-Committee, having reviewed document FIP/SC.12/5, *Dedicated Grant Mechanism for Indigenous Peoples and Local Communities: Funding Proposal for the DGM Project for Brazil*,

- a) approves USD 6.5 million in FIP grant funding for the *DGM Project in Brazil* to be implemented by the World Bank;
- b) takes note of the final estimated budget for project preparation and supervision services for the project referenced above and approves the second tranche of funding for MDB preparation and supervision services in the amount of USD 640,000 for the DGM project in Brazil to be implemented by the World Bank;
- c) further notes that a proposal for additional funding will be prepared regarding real-time learning activities to be undertaken to incorporate evidence-based learning in this project and other projects under the DGM; and
- d) requests the World Bank to take into account comments made at the meeting and written comments submitted by Sub-Committee members by July 15, 2014, in the implementation of the projects.

Cover Page for Project/Program Approval Request

1. Country/Region:	Brazil	2. CIF Project ID#:	(Trustee will assign ID)
3. Source of Funding:	<input checked="" type="checkbox"/> FIP	<input type="checkbox"/> PPCR	<input type="checkbox"/> SREP
4. Project/Program Title:	<i>FIP- Brazil Dedicated Grant Mechanism for Indigenous Peoples</i>		
5. Type of CIF Investment:	<input checked="" type="checkbox"/> Public	<input type="checkbox"/> Private	<input type="checkbox"/> Mixed
6. Funding Request in million USD equivalent:	<i>Grant: \$6.50</i>		<i>Non-Grant:</i>
7. Implementing MDB(s):	<i>IBRD</i>		
8. National Implementing Agency:	<i>To be Selected</i>		
9. MDB Focal Point and Project/Program Task Team Leader (TTL):	<i>Headquarters- Focal Point: Gerhard Dieterle</i>		<i>TTL: Alberto Costa</i>

10. Project/Program Description (including objectives and expected outcomes):

The PDO is (i) to strengthen the engagement of Brazilian Cerrado biome's indigenous peoples and traditional communities in FIP, REDD+ and similar climate change oriented programs at the local, national and global level, as well as (ii) to contribute towards improving livelihoods, land use and sustainable forest management in their territories.

11. Consistency with Investment Criteria:

(a) Climate change mitigation potential: Although the Brazil DGM Project will not be measured by its climate change mitigation potential, it is world-widely known the relevance of Indigenous Lands in Brazil for forest and biodiversity conservation and for climate change mitigation. As part of the BIP's general objective, GHG emissions, the loss of forest's environmental services, and biodiversity loss rank at the top of the problem-analysis tree. In the Cerrado biome, this is a consequence of the high level of deforestation and land use change – conversion of the native vegetation cover to cultivated pasture or extensive agricultural areas. Such manmade changes have led to degradation of ecosystems, fragmentation of habitats, extinction of species, invasion of exotic species, soil erosion and pollution of aquifers and high levels of GHG emissions. Indigenous Lands promote the physical and cultural safety of indigenous people. Through indigenous traditional natural resource management strategies and cultural beliefs, the Indigenous Peoples and Traditional Communities (IPTCs) protect their forest biodiversity and the services provided by these ecosystems (including, their services of carbon retention). The Cerrado houses 41 Indigenous Peoples and a large number of Quilombola (Afro-descendants) and other traditional communities (forest users, peasants, pastoralists, etc.). In the Cerrado Biome, Indigenous Lands alone occupy about 4.4 percent of the total area of the biome and represent one third of the area under environmental protection and are strategically located in sites critical for connectivity between these Protected Areas. Therefore, the climate change mitigation potential of the Brazil DGM project is due to the territorial extension of Indigenous lands and Traditional Territories, the state of conservation of these lands and their natural resources; the natural tendency of IPTCs to preserve their forests and carry out sustainable activities in their territories, and the connectivity they provide with other protected areas. It is directly related with the community-based activities that will improve livelihoods and increase the coping and adaptive capacities of IPTCs in face of the threats that increasingly affect their ability to maintain traditional lifestyles and more sustainable livelihoods, and are critical drivers of habitat degradation, poverty and social exclusion.

(b) Demonstration potential at scale: Overall, the Project will contribute to increase the engagement and participation of the Brazilian Cerrado Biome's Indigenous Peoples and Traditional Communities in dialogues and decision-making arenas related with FIP, REDD+ mechanisms and similar climate change oriented programs at the local, national and global level. Participation in regional, national and global networks will render viable the dissemination of lessons learned during Project preparation and implementation, as well as knowledge sharing. Furthermore, the intensive engagement and participation of the Government of Brazil in the National Steering Committee will also expand the demonstration potential, the opportunities of replication in culturally adequate ways and the medium and long-term sustainability of the approaches and activities initiated by the Project, which may be at least up-scaled to the other biomes in the country.

(c) Cost-effectiveness: The Project will invest in activities that seek an optimum combination of immediate and long-term benefits. Component 1 – Sustainable and Adaptive Community Initiatives has an estimated total cost of US\$ 4.0 million and will benefit an estimated 7,000 people (US\$ 571/direct beneficiary). The costs per beneficiary of similar community-driven-development operations in Brazil range from US\$ 204 up to US\$ 972. The cost per beneficiary of operations working directly with Indigenous Peoples in the states of Acre and Bahia ranged from US\$ 233 up to US\$ 583.

(d) Implementation potential: In accordance with the Global DGM Guidelines, the Brazil DGM has developed a governance and management arrangement with the capacity for coordination, partnership and synergies. To enhance participation and ensure opportunities of access for the most deprived IPTCs, the Project will rely on simplified, streamlined and flexible procedures for grant application and communication/outreach strategies as well as for procurement financial reporting. A National Steering Committee (NSC) will accompany project implementation and a National Executing Agency will be selected by the time of project appraisal. The NSC will work as a deliberative and social control arena. The NSC will include self-selected representatives from IPTCs, the Government of Brazil (GOB) and the World Bank (observer role). Accommodating a request by the Brazilian Government, GOB representatives will take part in all decisions made by the NSC. This participation of Governmental representatives in the NSC had also received wide support at the time of the project consultation process. Prior to project appraisal, the NEA will be selected through a competitive process supported by the World Bank and carried out by a working group which was established during the last consultation seminar, and includes representatives from Indigenous Peoples, Traditional Communities, and from the GOB.. The NEA will be a nonprofit and nongovernmental organization (NGO) that meets the World Bank's program-related, fiduciary and safeguard requirements. The NEA will facilitate the work of the NSC and provide to the World Bank operational and financial reports. The Project is proposed to be implemented over a five-year period.

(e) Integrating sustainable development (co-benefits): The Project's main cobenefits are: (a) Environmental: (i) conservation of greater biodiversity and increase in genetic flows in the forested areas of IPTCs; (ii) protection of soils and water resources through improved and sustainable forest and land use management systems; (iii) protection of headwaters of rivers of three major river basins: the Tocantins-Araguaia, the Paraná-Plata and the São Francisco; and (iv) removals of amounts of carbon dioxide (CO₂) from the atmosphere, due to avoided deforestation as well as native forest restoration, etc. (b) Socioeconomic: (i) reduced vulnerability of IPTCs and their traditional low-impact livelihoods to manmade and climate-change-related threats; (ii) increased monetary and nonmonetary benefits for forest users due to livelihood diversification and sustainable forest/land use management systems; and (iii) enhanced adaptive capacity of IPTCs. (c) Institutional: (i) strengthened representative organizations of IPTCs; (ii) increased engagement and participation, role and voice of IPTCs in REDD+/climate-change decision-making bodies at the local, national, and global levels; and (iii) enhanced partnerships between IPTC representative organizations and networks.

(f) Safeguards: The proposed conservation project is expected to have a positive environmental impact because it seeks to promote sustainable ethno-development, forest and natural resources management and adaptation, and climate-change adaptation for IPTCs whose livelihoods depend on the biome's natural resources. Project activities may contribute toward reducing deforestation pressures on the remaining forests—on which the livelihoods of these traditional populations mostly rely on—and protecting headwaters and riparian zones, thus reducing water and soil pollution. The nature and scale of the expected community activities will not have significant adverse impacts, and the Project is rated as Category B. Despite these positive impacts, the proposed Project will be working in various sensitive biodiversity and dry forest areas. A Programmatic Environmental and Social Management Framework (P-ESMF) has been prepared for the Global DGM and will serve as the Project's framework. The P-ESMF raises the potentially positive and negative impacts of eligible activities and defines a number of preventive and mitigating actions. The National Executing Agency (NEA) will integrate environmental and social measures in the form of a simple Environmental and Social Management Framework (ESMF) in the Project Operation Manual (POM). The ESMF will provide basic guidance on specific country-level features and operational procedures to screen, assess, mitigate and monitor environmental impacts, thus ensuring compliance with World Bank operational policies during project implementation. The ESMF will be finalized and disclosed prior to appraisal completion. All community proposals selected for funding will be screened by the NEA to ensure compliance with World Bank social and environmental policies during the stage of preparation of technical projects.

The proposed Project was prepared as a joint partnership with key stakeholders, i.e., Indigenous Peoples and Traditional Communities (IPTCs) from the Cerrado. Three regional workshops and a final seminar were carried out with the broad participation of men and women. The main features of the proposed project design—the adequacy of the proposed approach, the eligible activities and proponent organizations, the size of community grants, the composition of the NSC, the criteria for the selection of the NEA, the arrangements for social control, etc.—were debated and approved by self-appointed representatives of IPTCs. Due to the community-based approach, the Project is not expected to have adverse effects on beneficiary communities. OP4.10 was triggered for this operation. Because indigenous peoples will be the majority of direct project beneficiaries, and because project preparation has been carried out in a broadly participatory manner including an intensive process of consultation with them, no separate Indigenous Peoples Policy Framework (IPPF) or Indigenous Peoples Plan (IPP) is required. OP 4.12 was not triggered because one of the principles covered in the grant mechanism is the avoidance of relocating and displacing people who occupy forest lands. The criteria for selection of eligible activities will ensure that no relocation or restriction of access to natural resources takes place. The POM will clearly indicate the criteria and procedures to (i) ensure that financed community initiatives are proposed by genuine grassroots/representative organizations of IPTCs and that these organizations have received free, prior, informed and broad support from the proponent communities; and (ii) identify cases in which voluntary donations of land or usage rights for parcels of land are necessary for a community initiative, and ensure that these donations are fully voluntary and that adequate and culturally appropriate mechanisms are in place to compensate affected parties in cases of loss of access or usage rights.

12. Stakeholder engagement:

- The main beneficiaries of the Brazil FIP–DGM are IPTCs and their representative organizations in the Cerrado. Local communities include all social groups who self-assert a distinctive cultural identity, maintain knowledge and practices transferred from one generation to the next by means of tradition, maintain distinctive forms of social organization and cultural beliefs and norms, and rely on distinctive productive systems and low-impact forest/land use management systems for their cultural, social, religious, ancestral and economic survival. The Cerrado is home to 41 indigenous peoples and a multitude of traditional local communities, including Quilombola communities, extractive populations, and agricultural and pastoral communities dependent on specific surrounding ecosystems. Although capacity-building activities are expected to benefit about 150 IPTC organizations, on-the-ground community initiatives are expected to benefit at least 70 IPTCs.
- The Project’s core area will include a total of nine Federative Units: Goiás, Tocantins, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Maranhão, Paraná, and São Paulo States; and the Federal District.
- In compliance with DGM guidelines, Brazil’s Country Component (BR–DGM) has been prepared as a joint design and implementation partnership in a highly participatory manner that emphasizes the decision-making role played by IPTCs in the Project.
- In response to their concerns, needs and objectives, the BR–DGM’s principal aim is to address the internal threats they currently face to sustain livelihoods with low environmental footprint, pursue sustainable forest and land use management systems as well as adaptive coping strategies, and continue to deliver environmental services.
- The key stakeholders – Indigenous Peoples, Traditional Communities in the Brazilian Cerrado Biome, and the Brazilian Government – will be represented at the National Steering Committee during implementation.

13. Gender considerations:

- The workshops and seminars carried out during joint preparation process for Project design have been geographically and gender balanced.
- A social assessment has been carried out as part of project preparation and identified and analyzed gender-sensitive aspects. The assessment shows that gender differences may be more or less relevant among IPTCs of the Cerrado. Gender roles are often expressed by the association of men and women to exclusive tasks or spatial domains. In general, the traditional organization of their economies shows some degree of division of labor based on roles ascribed according to gender-based principles and beliefs, but these range from groups in which there are sharp and clear differences among the tasks performed by men and women, to situations in which they perform complementary tasks in the same activities. Most groups make sharp gender-based asymmetries in terms of access to and control over assets and participation in decision-making processes, which tend to be closely related to post-marital rules of residence; uxoriolocality (a societal system in which a married couple preferentially resides with or near the wife’s parents) places women in a much better situation than virilocality (a societal system in which a married couple preferentially resides with or near the husband’s parents). It is worth noticing that uxoriolocality is the most widespread rule among most of the Cerrado’s IPTCs. Some of the activities carried out by women and knowledge hold by them are critical for both biodiversity conservation and IPTCs livelihoods.
- A further and critical consequence of such gender-based division of productive spaces and tasks in the traditional models of livelihood is that both men and women hold control of the key knowledge to maintain the Cerrado’s agrobiodiversity, promote social resilience and increase the adaptive capacity of local communities.
- Gender-sensitive Project indicators and targets have been set.
- The system of Monitoring and evaluation relies on beneficiary assessment methodologies and gender-sensitive analysis.

14. Indicators and Targets (consistent with results framework):

Core Indicator	Target
Indicator One: Participating IPTC organizations with increased involvement, role and voice in REDD+/climate-change bodies at local, national or global levels	60 %
Indicator Two: People in targeted forest and adjacent communities with increased monetary or nonmonetary benefits from forests	4,200
Indicator Three: Intended beneficiaries that are aware of project information and agree with project supported investments	75 %

15. Co-Financing:

	Amount (in USD million):	Type of contribution:

• Recipient	---	---
• MDB	---	---
• Bilateral (EU fully blended)	---	---
• Others (please specify)	---	---
Co-Financing Total:		
16. Expected Board/MDB Management approval date:		
On or around October 16, 2014.		

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC1110

Public Disclosure Copy

Project Name	BR DGM for Indigenous People (P143492)
Region	LATIN AMERICA AND CARIBBEAN
Country	Brazil
Sector(s)	General agriculture, fishing and forestry sector (50%), Forestry (50%)
Theme(s)	Social Inclusion (50%), Other environment and natural resources management (30%), Climate change (20%)
Lending Instrument	Specific Investment Loan
Project ID	P143492
Borrower(s)	To be selected
Implementing Agency	To be selected
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	26-Nov-2013
Estimated Date of Appraisal Completion	04-Aug-2014
Estimated Date of Board Approval	20-Nov-2014
Concept Review Decision	Track II - The review did authorize the preparation to continue

Public Disclosure Copy

I. Introduction and Context

Country Context

1. Brazil is the largest country in Latin America and is considered mega-diverse in terms of bio and socio-diversity. Brazil's territory contains six continental biomes. The original cover of the three forest biomes (Amazonia, Cerrado and Atlantic Forest) represents 80% of Brazil's territory and constitutes 12% of the world's forest area. It is estimated that 82% of the original Amazon biome cover remains, while around 50% remains in the case of the Cerrado and 14% in the Atlantic Forest. The Brazilian Government has succeeded in drastically reducing deforestation in the Amazonia; deforestation levels in Amazonia have fallen more steeply than in the dry forests of the Cerrado. The relative contribution of the Cerrado to net annual anthropic GHG emissions has increased.

2. The Brazil FIP will contribute for sustainable land use and improved forest management, reducing pressures on the remaining forests and GHG emissions, and increasing CO2 sequestration. It will focus on activities in the Brazilian Cerrado, which is the second largest biome in Brazil and it covers approximately 200 million hectares of the Brazilian Central Plateau (24% of the country's total land area), but has lost 48% of the area covered by its native vegetation (vis-à-vis an estimated

18% loss at the Amazonia). The rapid expansion of agriculture in the Cerrado has had a high environmental cost; planted pasture is by far the most important form of land use in the Cerrado and the conversion to agriculture and livestock is one of the main immediate causes of deforestation in this bioma. In Brazil, most GHGs emissions are the result of land-use change, especially the conversion of forests to crop land and pasture.

3. Brazil is also characterized by sociocultural diversity. Indigenous Peoples and Traditional Communities – social groups who self-assert a distinctive cultural identity and keep distinctive forms of social organization and culture, occupy traditional lands and territories and hold traditional knowledge and practices, rely on distinctive productive systems and low impact natural resource management strategies for their livelihood – have a population of approximately 5 million people and occupy 25% of the country's total land area (Indigenous people account for 0.42% of Brazil's population, but comprise 238 different ethnicities, which speak 180 different languages). Their traditional territories record very low or zero deforestation rates. Their livelihoods depend on natural resources, they hold extensive traditional knowledge and practices on the sustainable use of the native biodiversity and they are particularly impacted by climate change and are increasingly threatened by deforestation, forest fires, and land-use change.

Sectoral and Institutional Context

4. The Forest Investment Program (FIP) is one of three programs under the Strategic Climate Fund (SCF), a multi-donor Trust Fund established in 2009. The FIP supports developing countries' efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so. Brazil is one of the FIP Pilot countries. The Brazil Forest Investment Plan was approved by the FIP Subcommittee in May 2012 and focuses on activities in the Brazilian Cerrado biome.

5. The basic design for the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) was approved by the Subcommittee in October 31, 2011. Its purpose is to facilitate the effective participation of IPLCs in the design and implementation of country specific Forest Investment Plans and to strengthen the capacity of these groups to play an informed and active role in the FIP, as well as other national and global REDD processes. Brazil is one of the first countries that is moving forward with the establishment of the DGM at the national level.

6. It is expected that the Brazil DGM will make a significant contribution to the implementation of Brazil Forest Investment Plan. The Brazil DGM is expected to contribute to the enhancement of the capacities IPLCs need in order to strengthen their participation in FIP and other REDD+ processes at the local, national and global levels and to effective sustainable management of natural resources and climate change adaptation/ mitigation strategies within their territories by supporting specific community initiatives.

7. Brazil's Federal Constitution recognizes the social organization, customs, languages, beliefs and traditions of indigenous peoples and their rights to occupy their traditional territories. The Brazilian legal and institutional framework has been constructed with emphasis on collective self-identification and the maintenance of productive systems and acknowledges that environmental conservation is a fundamental element for ensuring their welfare and physical/cultural survival. The Brazilian Government has issued a significant set of legislation and policies in support to IPLCs, including: the National Policy for Traditional Communities and Peoples (Presidential Decree 6040/2007) and the National Policy for Land and Environmental Management of Indigenous Peoples (Presidential Decree 7747/2012). These policies are discussed and overseen by parity councils in which IPLCs are fully represented.

8. Lessons learned from previous works with Indigenous Peoples and Traditional Communities in Brazil – drawn from the GEF supported PPP-ECOS (Small Environmental and

Social Projects) and Catalyzing the contribution of Indigenous Lands to the conservation of Brazil's forest ecosystems as well as World Bank's Indigenous Lands Project (PPTAL) and RF Demonstration Projects (PDA) have emphasized that: (a) A participatory approach is essential for positive outcomes and must ensure (i) a strong commitment to grassroots empowerment and social accountability, by establishing active and empowered advisory and oversight commissions, and (ii) active engagement of IPLCs in project development and implementation so they assume ownership; (b) the objectives and design of a sub-project should be based on the community's needs and demands rather than by technical assistance agents or sponsoring NGOs; (c) when working with diverse IPLCs, it is critical to strengthen indigenous and community organizations, respecting their culturally-defined decision-making mechanisms and consider longer periods for implementation of community subprojects; and, (d) technical assistance requires skills in participatory methodologies and shall be planned for and made accessible early on, take into consideration traditional local knowledge, women's and minority groups' concerns.

Relationship to CAS

9. The proposed project is fully consistent with the World Bank's approach to the Cerrado Biome, which is included in the current CPS (2012-2015), discussed by the Executive Directors on November 1, 2011 (CPS 2012-2015) (Report No 63731 BR), under the Strategic Objective 4: Improving sustainable natural resource management and climate resilience, specifically through supporting the increased sustainability of agricultural production and forestry, the adjustment of extension services and the leveraging of financing mechanisms to accelerate the shift to a low-carbon agriculture and livestock production, the mapping of degraded areas across all Brazilian biomes and helping develop financial incentives to promote their rehabilitation, and the assistance to the Government of Brazil (GoB) efforts to further develop Brazil's national system of protected areas.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

10. To 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.

Key Results (From PCN)

11. The PDO will be measured against the following indicators: (i) Number of direct project beneficiaries (percentage of Indigenous Peoples, percentage from other traditional communities, and percentage of women); (ii) Number of pilot activities completed; (iii) Satisfactory delivery of training and awareness raising activities (number of activities disaggregated by duration and subject; number of people engaged, disaggregated by ethnic origin, age and gender); (iv) Ethno-management and sustainable development plans of Indigenous lands and other traditional territories launched in at least 20% of communities which have received grants; and, (v) Grievances registered related to delivery of project benefits that are actually addressed (percentage).

III. Preliminary Description

Concept Description

12. The proposed project is part of a global program - the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) - which has allocated \$6.5 million in grant

resources to Brazil. The DGM was designed to promote the inclusion of communities reliant on forests in policy formulation and initiatives that seek to reduce deforestation and degradation.

13. The Brazil DGM is based on (a) the Design Proposal for the global DGM – which was developed by the Global IPLC Working Group – and (b) the FIP Grant Mechanism for Indigenous Peoples and Local Communities Project Concept Note (P128748). It follows the framework guidelines and set of activities covered under the components designed for the global DGM.

14. The project will support capacity building and finance the demand-driven provision of grants to community organizations of IPLCs in Brazil in order to strengthen their participation in FIP and other REDD+ processes at the local, national and global levels. To foster synergies with the Brazil Forest Investment Plan and address the challenges posed by the geographical dispersion of Indigenous Peoples and Local Communities (IPLCs), the Brazil DGM will also prioritize its actions in the Cerrado biome. Nevertheless, capacity building and training activities will have a national scope.

15. Drawing from lessons learned in previous operations, the proposed project intends: (a) to promote a strong sense of ownership and social accountability among the grant beneficiaries and key stakeholders convened at the NSC; (b) to strengthen the institutional capacity of indigenous and local organizations by means of in situ training events on managerial issues for grant beneficiaries and by encouraging a diversity of partnerships with governmental and civil society organizations; (c) designing adequate, flexible, and efficient, administrative and financial arrangements that will enable easy, streamlined and fast-track access to grants by grassroots IPLCs, and facilitating adequate financial flows and management of project resources to diverse communities; (d) carrying out preliminary assessments of the economic, environmental and social feasibility of community proposals; and, (e) providing culturally adequate technical assistance to design, develop and implement community subprojects.

16. The proposed components of the project which are under consultation with IPLCs are as follows:

a. Component 1: Institutional Strengthening (approximately \$1.2 million). This component will finance activities aimed at: (i) strengthening IPLCs' capacity for investment-preparedness, including support for registration, preparing proposals, and financial management skills for traditional forest investments as well as Payment for Environmental Services and carbon payments; and (ii) improving access to forest financing and investments. Activities may include informational workshops on public policies and access to credit lines; training on new technologies to be applied on land surveillance; ethno-mapping studies; capacity building on methodologies for: participatory Land or Territorial Management Plans, fire management and control of forest fires; inter-regional workshops, organizational strengthening and youth leadership; and cultural strengthening among other topics proposed by IPLCs.

b. Component 2: Sustainable Initiatives (approximately \$4.3 million). This component will finance the provision of micro grants for eligible community based organizations of IPLCs to undertake small-scale activities for sustainable development and natural resources management that fall under predetermined themes. Based on ongoing consultations, some potentially eligible areas activities would include: REDD+ related livelihood and resilience activities; integrating indigenous knowledge and cultural practices with modern technologies to enhance climate adaptation and mitigation; food security activities; production and storage of native seeds; small agro-processing units; production and commercialization of artisanal products; agro-ecological production and ecotourism; surveys of native species of flora and fauna; land/territorial management plans; recovery of degraded areas and protection of water springs; and fire management plans.

c. Component 3: Communication, Monitoring and Evaluation (approximately \$ 1.0 million). This component will finance activities aimed at the institutional support and capacity development

for Project management, implementation, monitoring and evaluation, including: (i) reaching out to target groups to provide them necessary information on the DGM, (ii) facilitating a process of bottom-up self-selection to identify beneficiary communities, (iii) supporting the preparation of proposals, and (iv) supervising sub-projects implementation and results assessments.

17. Additionally the Brazil DGM will benefit from the global component on knowledge sharing and networking on REDD+.

IV. Safeguard Policies that might apply

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

V. Financing (in USD Million)

Total Project Cost:	6.50	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
Strategic Climate Fund Grant			6.50
Total			6.50

VI. Contact point

World Bank

Contact: Alberto Coelho Gomes Cost
 Title: Senior Social Development Specialist
 Tel: 5761+8601 /
 Email: acostal@worldbank.org

Borrower/Client/Recipient

Name: To be selected
 Contact:
 Title:
 Tel:

Email:

Implementing Agencies

Name: To be selected

Contact:

Title:

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VII. For more information contact:

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FOREST INVESTMENT PROGRAM

MDB Request for Payment of Implementation Services Costs

1. Country/Region:	Brazil	2. CIF Project ID#:	(Trustee will assign ID)
3. Project Title:	<i>BRAZIL Dedicated Grant Mechanism for Indigenous Peoples – P143492</i>		
4. Request for project funding (USDmill.):	<i>At time of country program submission (tentative): \$6.5</i>	<i>At time of project approval: \$6.5</i>	
5. Estimated costs for MDB project implementation services (USD):	<i>Initial estimate - at time of Country program submission: US\$ 700,000</i>	<i>MDB: IBRD</i>	
	<i>Final estimate - at time of project approval: US\$ 940,000</i>	<i>Date: June 3, 2014</i>	
6. Request for payment of MDB Implementation Services Costs (USD):	<input type="checkbox"/> First tranche: <input checked="" type="checkbox"/> Second tranche: US\$ 640,000		
7. Project/program financing category:	a - Investment financing - additional to ongoing MDB project <input type="checkbox"/> b - Investment financing - blended with EU finances <input type="checkbox"/> c - Investment financing - stand-alone <input checked="" type="checkbox"/> d - Capacity building - stand alone <input type="checkbox"/>		
8. Expected project duration (no. of years):	Five		
9. Explanation of final estimate of MDB costs for implementation services:	<p><i>If final estimate in 5 above exceeds the relevant benchmark range, explain the exceptional circumstances and reasons:</i> Final estimate does not exceed the relevant benchmark range. The fees correspond to a 5-year complex project, to be implemented in eleven different Federal Units, where the communities are widely dispersed, and the potential diversity of community initiatives that may require specific technical guidance and support is quite high. The counterparts are Indigenous Peoples and Traditional Communities. The budget also includes additional costs for a Mid-term Supervision Review and for a Closing Mission and the preparation of an Implementation Completion Report. The amount of \$940K would be in line with the IBRD preparation and supervision norm for complex Projects in Brazil.</p>		

10. **Justification for proposed stand-alone financing in cases of above 7 c or d:** Since the counterparts of the project are Indigenous Peoples and Traditional Communities in Brazil, there is no available counterpart co-financing. However, this project has a high probability of attracting co-financing in its second or third year of implementation when the innovative mechanism is well functioning with demonstrable results. IBRD expects the project to leverage co-financing from foundations or bilateral agencies and, project grantees to leverage funding from government programs earmarked for communities in the Cerrado.