

CIF Climate Investment Funds



FOREST INVESTMENT PROGRAM Dedicated Grant Mechanism for Indigenous Peoples and Local Communities

Proposed Implementation Arrangements

October 31, 2011





Principles guiding the preparation and implementation of the DGM

- Ownership and joint decision-making by indigenous peoples and local communities (IPLCs)
- Partnership and collaboration among MDBs
- Transparency and accountability in decision-making processes
- Flexibility, efficiency and administrative clarity



Key Features of the proposed arrangements

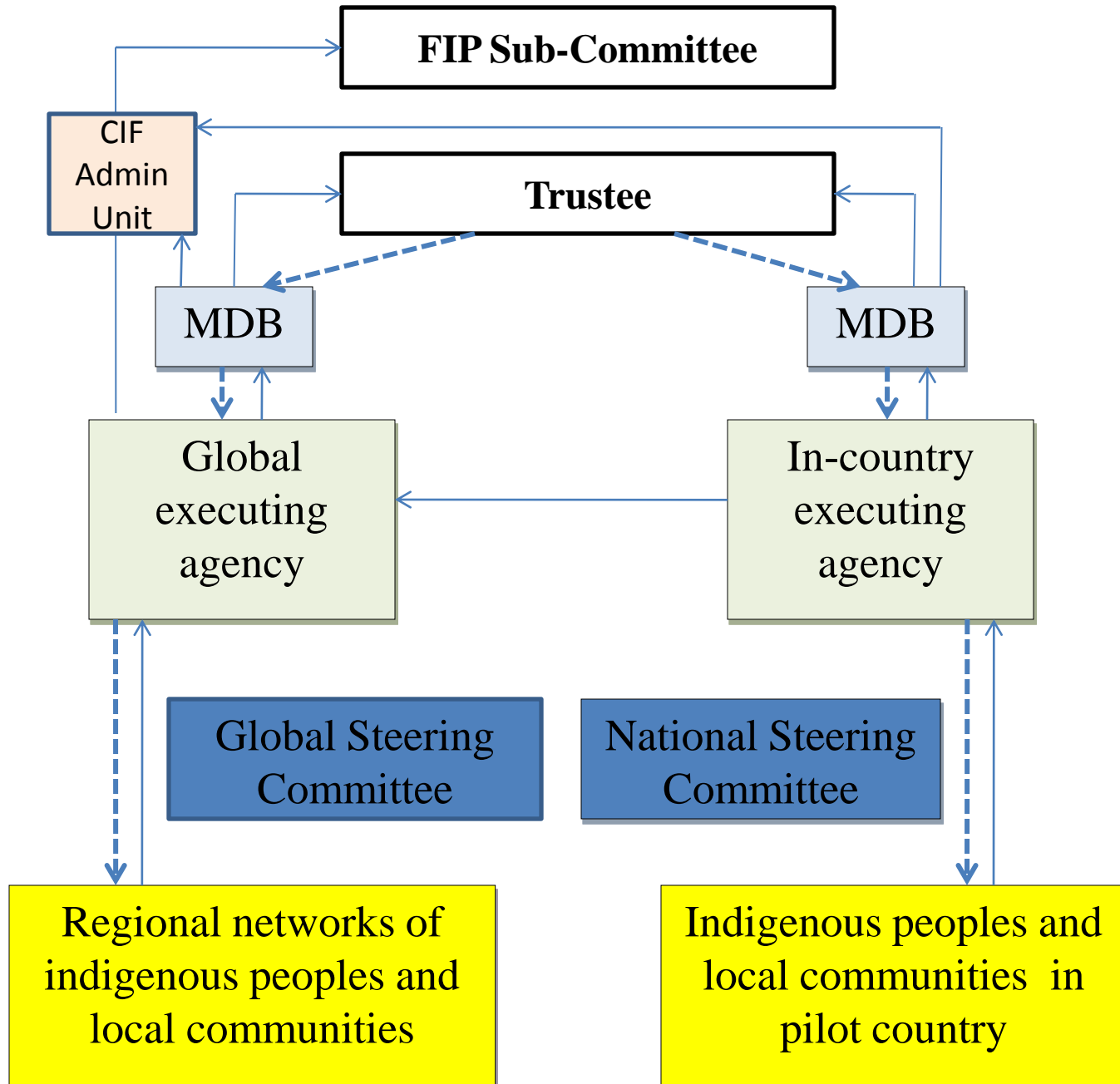
- Decentralized Approach
- Collaborative governance structures
- Links between pilots maintained through a common Operational Manual
- Lessons from country implementation captured and shared by the global component
- Complementarity to main FIP investment program in pilot countries



Decentralized Approach

- ✓ Each country to have a an executing agency that disburses the funds to the indigenous peoples and local communities
- ✓ A National Steering Committee for each country will be the main governing body
- ✓ A different MDB could lead implementation in each country/region
- ✓ World Bank to implement the global knowledge sharing and networking activities through an global executing agency

Key:
--> Resources Flow
-> Reporting





Collaborative Governance

- The Global Steering Committee and National Steering Committees will have Indigenous Peoples, Local Communities, MDBs and Government representation
- Working Groups at global and country levels comprising all these parties will be established to guide preparation of the detailed project proposals



Role of Global and National Executing Agencies

- Funds administration, financial management, procurement and safeguard in accordance with relevant MDB rules and procedures (contractual agreements)
- Call for and screening of proposals in accordance with criteria established by Global/National Steering Committee
- Disbursing grants to eligible recipients
- Technical assistance/training to beneficiaries
- Reporting to global executing agency and MDBs



Role of Global and National Steering Committees

- Leadership and oversight
- Identification of key activities
- Decision-making rules and procedures in accordance with Operations Manual
- Facilitate complaint and mediation mechanisms
- Synergies with global/national REDD+ processes and FIP programs
- Reporting and outreach to FIP SC and global processes/to Global SC and national FIP and REDD+ processes



Summary of Comments Received

- ☐ There is general support for the concept among IPLCs and MDBs
- ☐ Most comments focused on the following:
 - ☐ Overall reputational risk for MDBs
 - ☐ Complexity of Institutional structures proposed
 - ☐ Potential for elite capture of program benefits
 - ☐ Risk of raising high expectations among stakeholder groups, especially regarding resolution of land and resource rights issues
 - ☐ Risk of program being susceptible to existing tensions between national governments and IPs
 - ☐ Costs of delivering the program, including cost recourse mechanisms (e.g. Inspection Panel)



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 - ☐ Complexity of Institutional structures proposed
 - ☐ Potential for elite capture of program benefits
 - ☐ Risk of raising high expectations among stakeholder groups, especially regarding resolution of land and resource rights issues
 - ☐ Need for deepening dialogue between national governments and IPs
 - ☐ Costs of delivering the program, including cost recourse mechanisms (e.g. Inspection Panel)



Approach to facilitate design process and implementation of the DGM

- ❖ The current open dialogue, strong participation of IPLC in the preparation and implementation will contribute to build trust and ownership among actors
- ❖ Need for a pro-active, multi-pronged risk management approach
- ❖ A program level grievances and complaints mechanism to be developed to address problems in the country before they reach the Bank's Inspection Panel.
- ❖ Key to this is collaboration with IPLC to develop strategies to address some of the risks; not all issues can be addressed at this early stage without consultations
- ❖ Transparent selection process and balanced composition of Steering Committees
- ❖ Good communications, Bank supervision and monitoring, implementing agency supervision of beneficiaries, and independent as well as peer reviews during implementation will be some of ways of mitigating risks



Next Steps

- The MDBs and the Working Group co-Chairs will meet to set up a collaborative mechanism (Working Group) to develop detailed project documents at global and pilot country levels and delineate responsibilities for the three regions
- Collaborative preparation of an Operations Manual as a common framework for implementation in all 8 pilot countries
- Project documents for implementation of the DGM to be submitted to the FIP SC around June 2012