

CLIMATE INVESTMENT FUNDS

FIP/SC.12/4
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:
PROGRAM FRAMEWORK AND FUNDING PROPOSAL
FOR THE DGM PROJECT FOR THE GLOBAL COMPONENT**

Proposed Decision

The FIP Sub-Committee, having reviewed document FIP/SC.12/4, *Dedicated Grant Mechanism for Indigenous Peoples and Local Communities: Program Framework and Funding Proposal for the DGM Project for the Global Component*,

- a) endorses the program framework for the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities as a basis for the development of the DGM global component and the DGM projects in each FIP pilot country and takes note of the total requested funding of USD 50 million in grant funding;
- b) recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when DGM project proposals are submitted for approval of FIP funding;
- c) approves USD 4.72 million in FIP grant funding for the *DGM Project for the Global Component* to be implemented by the World Bank;
- d) takes note of the request for USD 1.6 million to finance real-time learning activities, an approach to evidence-based learning across the eight DGM projects and the project for the global component, and requests the World Bank to prepare for approval a full proposal for evidence-based learning in the DGM consistent with document CTF-SCF/TFC.12/4, *Approaches to Evidence Based Learning in the CIF Project Cycle*;
- e) takes note of the final estimated budget for project preparation and supervision services for the projects referenced above and approves the second tranche of funding for MDB preparation and supervision services in the amount of USD 695,000 for the DGM project for the global component to be implemented by the World Bank; and
- f) 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:	World	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>Dedicated Grant Mechanism for Indigenous Peoples and Local Communities – Global Component</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: US\$4.72</i>		<i>Non-Grant:</i>
7. Implementing MDB(s):	<i>IBRD</i>		
8. National Implementing Agency:	<i>Conservation International Foundation</i>		
9. MDB Focal Point and Project/Program Task Team Leader (TTL):	<i>Headquarters- Focal Point: Gerhard Dieterle</i>		<i>TTL: Madhavi Pillai</i>
10. Project/Program Description (including objectives and expected outcomes):			
<p>i. The Program Development Objective is to strengthen the capacity of Indigenous Peoples and Local Communities (IPLCs) to participate in the Forest Investment Program and other REDD+ programs at local, national and global levels.</p> <p>ii. In the spirit of the DGM’s collaborative approach to design and implementation, the Program objective is consistent with the interests and aspirations of the IPLCs expressed in the DGM Design Proposal and the DGM Framework Operational Guidelines. It provides a framework for the DGM activities which are expected to be carried out at the country and global levels. This global program objective will be achieved by (i) establishing and strengthening representative IPLC-led governing bodies for DGM decision-making in FIP pilot countries and at the global level; (ii) providing grants to IPLCs in FIP pilot countries for initiatives consistent with DGM and FIP criteria; (iii) providing training and capacity development in leadership, management and technical skills to IPLCs at country and global levels; (iv) facilitating knowledge exchange and learning on REDD+ and climate change issues between and among IPLCs at regional and global levels; (v) strengthening networks and alliances of IPLC organizations within and across regions; and, (vi) enabling scale up of successful local solutions for climate-smart forest and landscape management.</p> <p>iii. On the basis of the DGM Design Proposal, the Program is structured in two-parts to serve both, the localized objectives of IPLCs at the country level as well as the training, alliance-building and knowledge exchange needs at regional and global levels. Part One of the DGM is a Country Project in each FIP pilot country (currently Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru) that supports on the ground activities and capacity building;</p> <p>iv. Part Two of the DGM is a Global Learning and Knowledge Exchange Project (“Global Component”)- a platform for capacity building and strengthening networks and partnerships among and between IPLC organizations. This serves as a <i>chapeau</i> or umbrella promoting both, internal and external outreach, networking and knowledge exchange between DGM activities in the FIP countries as well as other REDD+</p>			

countries, monitoring and learning as well as reporting on the program.

- v. This cover sheet pertains to the overall **DGM Program** and the **Global Learning and Knowledge Exchange Projects – the ‘Global Component’**. Country DGM projects will be prepared and submitted following IBRD and CIF procedures for approval on a rolling basis.
- vi. The objective of the Global Component is to organize and facilitate knowledge exchange, learning and capacity building on REDD+ and climate change issues at regional and global levels, and to strengthen the networks and alliances of IPLC organizations within and across regions with a view to enhancing their representation and voice in regional and global policy fora.
- vii. This global platform will serve not only the FIP country participants, but IPLCs from other countries, as IPLC members from non-FIP countries have contributed to the design and development of the DGM. The Global Component is a special feature of the DGM and will serve to take the learning activities to a wider IPLC community. It could include participants from FCPF, UNREDD as well as from PPCR and SREP pilot countries and help multiply the synergies with these programs. This will be achieved by helping IPLCs build on and share the lessons and experiences emerging from sub-projects financed through the DGM Country Programs in the 8 country pilots. Such support would enable convergence of ideas and initiatives from other REDD+ programs, including FCPF, GEF and UN-REDD Programme, and help in bringing the ‘voice’ of IPLCs to climate change and REDD+ policy forums. The following is an illustrative list of activities which may be supported under the Global Component:
 - regional and sub-regional training workshops to learn from successful community REDD+ or other relevant experiences -- e.g. culturally appropriate REDD+ activities, benefit sharing, landscape approaches, land tenure and rights issues, climate-smart agriculture, etc.
 - strengthening capacities of, and providing means for, regional IPLC organizations and networks to participate in REDD+ and climate change negotiations, including training on engaging in international negotiations and in relevant international policy dialogues and processes.
 - support for participation of the alliances or networks of IPLCs in regional or global REDD+ and climate change forums, thematic conferences and meetings related to the role of IPLCs in the land, forest and livelihoods dialogue.
 - development of culturally appropriate knowledge resources for use by IPLCs globally, in the form, for example, of case studies, examples of promising or “state-of-the-art” practices, focal points for sharing ideas around particular themes or challenges, and web-based knowledge networking tools.

More details on the Global Component are provided in Annex 2 of the DGM Program Document.

11. Consistency with Investment Criteria:

(a) Climate change mitigation potential: The rationale for the proposed Program as a whole is based on the premise that inclusion and participation of Indigenous Peoples and local communities in the implementation of the FIP and REDD+ processes would lead to sustained climate mitigation outcomes and development co-benefits in the long term. As one of the few targeted community based grant mechanisms addressing climate change, the DGM provides resources for communities to address climate change mitigation and adaptation by making decisions that reflect their own needs and by enhancing their voice and capacities to partner in policy and strategy dialogues at local, national and international levels. Activities that may be supported such as sustainable management of forest landscapes, climate-smart agriculture and traditional forest stewardship and support to strengthening customary tenure would have a net positive impact on reducing deforestation and enhancing GHG mitigation in the long term.

(b) Demonstration potential at scale: The direct beneficiaries of DGM country projects are IPLCs in FIP pilot countries who will participate in and benefit from the sub-projects funded by the DGM, whereas the Global Learning and Knowledge Exchange Platform will promote exchange of information, knowledge and experiences between IPLCs from FIP and other REDD+ program countries. The program is also expected to generate indirect benefits for the wider community both within and beyond the pilot countries by providing public goods through effective contribution to REDD+ policy discussions, especially through the shared knowledge on sustainable management of forest landscapes, governance and the role of communities. The capacity building activities, as well as the national and global steering committees provide a platform for IPLCs to have a voice and influence on climate change and forestry policies and programs beyond the FIP, significantly amplifying the reach of the program.

The Program will employ evidence-based learning approaches to ensure that the lessons from the innovative approach to program design and implementation are documented and analyzed and available to inform similar initiatives or scale up the DGM. Given the uniqueness and innovative potential of this Program, the DGM is one of the Programs under the CIF to undertake a real-time evidence-based learning approach to allow not only IPLCs and other stakeholder groups to better understand whether the supported activities lead to expected outcomes, but would also enable the FIP as a whole to understand whether such mechanism is a useful complement to larger-scale investments in REDD+ across the eight pilot countries.

(c) Cost-effectiveness: Given its non-traditional approach standard cost-benefit analyses would not be appropriate to quantify the true benefits of the program, especially related to voice and capacity strengthening. Based on the experience from the preparation phase of the program it is evident that the DGM has generated quite a lot of interest at various levels in pilot countries and has high potential to leverage additional sources of funding.

(d) Implementation potential: The DGM Framework Operational Guidelines which were developed jointly with IPLCs, MDBs and Government representatives provide the overarching framework for governance and implementation of the Program. The key constituents of the implementation structure are the two Steering Committees – the National Steering Committee (NSC) and the Global Steering Committee (GSC), the decision-making bodies. Both Committees are comprised primarily of Indigenous Peoples and Local Communities. This is a defining feature of the DGM, where IPLCs have

a key decision-making role in the program with active support from governments and MDB members. The execution of the program will be the responsibility of the Executing Agencies – National Executing Agencies (NEA) in the countries and Global Executing Agency (GEA) for the Global Component. The executing agencies will ensure that implementation is compliant with World Bank fiduciary and safeguards policies as applicable. For the Global Component, Conservation International (CI) will be the Global Executing Agency (GEA) and will serve as the secretariat to the Global Steering Committee of the DGM in addition to implementing the activities under this Component.

There is a high degree of ownership for the Program among IPLCs in the countries; however, implementation will be complex, resource and time intensive and challenging, given the highly decentralized structures, dispersed community locations within the countries and the need to ensure fiduciary and safeguards due diligence at all levels. The Implementation structure for the Program also takes into account the need for consistency across the 8 FIP countries and the opportunity for IPLCs in the Program to present a collective ‘voice’ to the global community on REDD+.

The Project is proposed to be implemented over a five-year period.

(e) Integrating sustainable development (co-benefits):

The activities to be financed by the Program will be in line with FIP objectives and the two main themes along which IPLCs have indicated their preference; it is evident that activities will have a strong focus on adaptive capacity as well as forest landscapes management. The available resource envelope for the Program is limited given the scale of the issues and the geographies it is targeting. Yet, the Program’s potential is recognized by the main stakeholders and the current design with a robust governance and fund management system allows it to grow and sustain even after the current round of funding as it is amenable to absorbing funding from other sources. Given the intensive effort and resources invested in establishing the governance structures, it would be a missed opportunity for the mechanism to be a short-lived phenomenon. The IPLCs in pilot countries are fully aware of the potential for the DGM to serve as a platform to reach out to new partners and indicate their interest in outreach efforts.

(f) Safeguards: Each DGM country project will be guided by a Bank Task Team that will be involved in the design and appraisal of the project. The program is expected to finance activities that have a net positive impact on the environment, especially forests and natural habitats. However, to mitigate any likely risks, the national executing agencies (NEA) should include staff with experience in design and implementation of environmental and social safeguards procedures. The NEA will be responsible to ensure the application of World Bank safeguards policies at country level and World Bank task teams will review this aspect as part of regular project supervision. In addition, a program level grievance and mediation mechanism will be established for first level response to complaints.

Considering the need to ensure consistency between the different DGM operations a Program level Environmental and Social Management Framework (PESMF) is being prepared and will be used as a common basis for the development of country project-specific environmental and social safeguards instruments. The PESMF is a living document and will be updated or revised as necessary during implementation.

12. Stakeholder engagement:

The DGM design and preparation process has been highly collaborative, with the key stakeholders -the IPLCs and the World Bank working as partners. Pilot country governments have been closely following and supportive of the preparation process. Consistent with the mandate in the FIP Design Document the DGM is to provide

Indigenous Peoples' and local communities in the FIP countries a financing and learning mechanism for demand-driven initiatives. The concept of the DGM was discussed among the global Working Group¹ of IPLCs and FIP countries in four regional meetings in Africa, Asia-Pacific and Latin America and two global meetings in Bangkok and Washington, D.C. during 2010-2011. These discussions resulted in the DGM Design Proposal² which presents the overarching principles, approach and potential activities for the grant mechanism. Following the decisions of the FIP Sub-Committee at its seventh session in November 2011 to operationalize the DGM, the global Transitional Committee³ of the DGM met with FIP country Focal Points and MDBs in Istanbul, Turkey to discuss and agree on the Framework Operational Guidelines that establish the framework to guide the preparation and implementation of the DGM at national and global levels.

Country Project Preparation and Supervision will be coordinated closely with the government and the FIP MDB partners in the country. Preparation of each country program will be preceded by extensive dialogue with key stakeholders and the government FIP focal point to align the DGM closely with IPLC priorities and the objectives of the endorsed FIP investment plan for the country. Key requirements during preparation will be the establishment of the National Steering Committee (NSC) and the identification of a National Executing Agency (NEA) before project appraisal, through a competitive selection process (see guidance in Annex 5 - Guidance Note: Selection of National Executing Agency). Country program supervision will be carried out by World Bank teams as per Bank policy for supervision of investment finance operations.

13. Gender considerations:

The Bank has established guidance to ensure that the potential development project risks to women and other vulnerable groups are identified and addressed as part of the social assessment process. The consultation process should include the views, concerns and priorities of men and women as well as the needs of disadvantaged and vulnerable groups. It is expected that the country REDD+ and FIP programs will have identified how these issues will be considered in the proposed activities. These considerations and associated actions need to be addressed in the ESMF/ESMP. The implementation arrangements of the Program are gender balanced.

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

Core Indicator	Target
Indicator One: The <u>percentage</u> of DGM sub-projects that are successfully completed and have achieved their objectives	75%
Indicator Two: The <u>percentage</u> of participants in the capacity development activities with increased role and voice in FIP or other REDD+ programs at local, national or global levels; (measured through perception /confidence surveys, interviews)	75%
Indicator Three: The <u>number</u> of collaborative activities and alliances emerging through the global platform with the leadership of IPLCs (measured through interviews and feedback surveys and regular monitoring reports)	-

¹ A self-selected group of Indigenous Peoples and Local Communities.

² [DGM Design Proposal](#)

³ A global group of self-selected IPLCs from FIP Pilot countries and two additional members representing other REDD+ countries. The Transitional Committee replaced the Working Group of IPLCs which was constituted during the development of the DGM Design Proposal. It serves as the global reference group for the DGM during the preparation of the Program.

15. Co-Financing:		
	<i>Amount (in USD million):</i>	<i>Type of contribution:</i>
• 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)
APPRAISAL STAGE

Report No.: PIDA7545

Project Name	FIP Grant Mechanism for Indigenous Peoples & Local Communities (P128748)
Region	OTHER
Country	World
Sector(s)	Forestry (100%)
Theme(s)	Participation and civic engagement (45%), Other rural development (30%), Indigenous peoples (25%)
Lending Instrument	Investment Project Financing
Project ID	P128748
Borrower(s)	
Implementing Agency	Conservation International Foundation
Environmental Category	F-Financial Intermediary Assessment
Date PID Prepared/Updated	4 Jun 2014
Estimated Date of First Grant Approval	16 Oct 2014
Decision	Following the Review Meeting, the decision was taken to proceed with the submission of the DGM Program Document to the FIP FIP Sub-Committee for funding approval as well as with the appraisal of the DGM Global Component
Other Decision	

I. Global Context

1. Forests are essential to maintain global climate balance. As carbon sinks forests remove around 27% of the annual global CO₂ emissions from the atmosphere, which helps keep the total atmospheric concentration of CO₂ in check and slow down global warming. However, Deforestation and forest degradation, however, continue to mobilize GHGs into the atmosphere, disturbing the carbon cycle and contributing to global warming.
2. Loss of forests increases the vulnerability of forest dependent communities. It is estimated that forest ecosystems in the tropics are the source of sustenance for around 1.5 billion, mostly Indigenous Peoples and local communities as a source of food, fuel wood, hunting, fishing, non-timber products, shifting agriculture and medicines and, as a source of cultural identity.
3. Reducing Deforestation and Forest Degradation (REDD) has emerged as a promising approach that can tackle forest-based emissions *and* contribute to development outcomes. REDD Plus (or REDD+) recognizes that climate change mitigation outcomes cannot be achieved without

addressing development needs. The approach now includes ‘co-benefits’ or ‘multiple benefits’, most important of which are, biodiversity conservation, improved livelihoods, and safeguards that take into account the rights and cultures of Indigenous Peoples and local communities. Greater voice and role for Indigenous Peoples and local communities would make REDD+ more effective in achieving its goals. Global climate mitigation and REDD+ efforts are a result of international and national discussions, offering limited opportunities to integrate the ideas and traditional knowledge and expertise of communities. Often, capacity and resource barriers constrain their engagement in these processes.

4. The FIP was established in 2009 as one of the four targeted programs under the CIF⁴ to provide upfront bridge financing to developing countries’ REDD-efforts. The program is implemented in eight countries⁵ where FIP resources are deployed to address key drivers of deforestation and forest degradation for transformational change that can be scaled up. The FIP identified the need for active participation of Indigenous Peoples’ and local communities (IPLCs) in the program, in line with ongoing international discussions on the role of IPLCs in REDD+ and set aside an indicative allocation of grant resources for a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM).

II. Program Development Objective(s)

The global Program Development Objective of the Dedicated Grant Mechanism For Indigenous Peoples and Local Communities (DGM) Program is to strengthen the capacity of Indigenous Peoples and Local Communities (IPLCs) to participate in the Forest Investment Program and other REDD+ programs at local, national and global levels.

III. Program Description

The Collaborative Design Process

The DGM design and preparation process has been highly collaborative, with the key stakeholders - the IPLCs and the World Bank working as partners in the process. Consistent with the mandate in the FIP Design Document the DGM is to provide Indigenous Peoples’ and local communities in the FIP countries a financing and learning mechanism for demand-driven initiatives. The concept of the DGM was discussed among the global Working Group of IPLCs and FIP countries in four regional meetings in Africa, Asia-Pacific and Latin America and two global meetings in Bangkok and Washington, D.C. during 2010-2011. These discussions resulted in the DGM Design Proposal which presents the overarching principles, approach and potential activities for the grant mechanism. Following the decisions of the FIP Sub-Committee at its seventh session in November 2011 to operationalize the DGM, the global Transitional Committee of the DGM met with FIP country Focal Points and MDBs in Istanbul, Turkey to discuss and agree on the Framework Operational Guidelines that establish the framework to guide the preparation and implementation of the DGM at national and global levels.

⁴ The Climate Investment Funds (CIF) are a multi-donor partnership established in 2008 to bridge the gap in international climate finance architecture with four targeted programs – the clean technology fund, scaling up of renewable energy program, the pilot program on climate resilience and the forest investment program. The current program funding is US\$ 640 million.

⁵ Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru.

Following the Istanbul meeting and further revisions, the co-Chairs of the Transitional Committee endorsed the DGM Framework Operational Guidelines in September 2013. The Guidelines are the result of a collaborative effort between the MDBs, the Transitional Committee and the FIP Pilot countries and describe the principles, programmatic focus and the common governance, institutional and reporting arrangements to be followed by the program. The Guidelines also describe the criteria for grant funding. Each country DGM project may use these Guidelines in their current form or adapt them to their own circumstances, ensuring that the common framework and spirit of the Program are conserved.

On the basis of the agreed Framework Operational Guidelines, the Program is structured in two-parts to serve both, the localized objectives of IPLCs at the country level as well as the training, alliance-building and knowledge exchange needs at regional and global levels.

- Part One of the DGM is a Country Project in each FIP pilot country (currently Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru) that supports on the ground activities and capacity building;
- Part Two of the DGM is a Global Learning and Knowledge Exchange Project- the Global Component. This is a platform for capacity building and strengthening networks and partnerships among and between IPLC organizations. This serves as a *chapeau* or umbrella promoting both, internal and external outreach, networking and knowledge exchange between DGM activities in the FIP countries as well as other REDD+ countries, monitoring and learning as well as reporting on the program.

This structure addresses the IPLCs' objective to play a greater role in FIP and REDD+ at the country as well as international levels by strengthening capacities at two levels: (i) the core institutional capacities of IPLC organizations will be strengthened through management of grant-financed initiatives of their choice and, (ii) IPLC 'voice' and participation in regional and global forums will be strengthened by the global platform for learning and knowledge exchange through cross-regional learning events and organization of IPLC networks and alliances. This Component will also serve as a coordinating mechanism among the eight country projects for learning, monitoring and reporting. At country level, grant-financed initiatives will lead to a range of other benefits related to livelihoods, income, sustainable management of forests, wood energy, etc., depending on the activities in the countries.

The World Bank proposes to operationalize this initiative through the Program framework described in this document which will be applicable to DGM projects in the current FIP countries and others that may join in the future. The DGM projects in countries will be aligned with this framework, while taking into account the particular country situation and context

IV. Financing (in USD Million)

Total Project Cost:	4.72	Total Bank Financing:	0.00
Financing Gap:	4.72		
Financing Source			Amount
Borrower			0.00
Strategic Climate Fund Grant			4.72
Total			4.72

V. Implementation

The Program will be implemented through the World Bank in the 8 FIP pilot countries. Each country will prepare a country DGM project that is aligned with the Global Program framework. The World Bank will also implement the Global Component. The Country DGM projects will be implemented by a National Executing Agency (NEA) to be selected through a competitive process in each country. The oversight of Country DGM projects will be with the DGM National Steering Committee (NSC) comprised primarily of Indigenous Peoples and Local Communities. The Global Component will be implemented through the Global Executing Agency (GEA). Conservation International Foundation was selected as the GEA. The GEA will act as the secretariat to the Global Steering Committee which will provide intellectual and policy guidance to the DGM. The GSC will be comprised of members from National Steering Committees.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
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

Comments (optional)

VII. Contact point

World Bank

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Implementing Agencies

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VIII. For more information contact:

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FOREST INVESTMENT PROGRAM

**MDB Request for Advance on Payment for
Project Implementation Support and Supervision Services**

1. Country/Region:	Global	2. CIF Project ID#:	(Trustee will assign ID)
3. Project/Program Title:	<i>Dedicated Grant Mechanism for Indigenous Peoples and Local Communities – Global Component</i>		
4. Request for project/ program funding (USD):	<i>At time of program submission (tentative):</i> US\$ 5 million	<i>At time of program approval:</i> US\$4.72 million	
5. Estimated costs for MDB project preparation services (USD):	<i>Initial estimate for preparation:</i> US\$ 600,000	MDB: IBRD	
	<i>Estimate for supervision:</i> US\$995,000	<i>Date:</i> 06/03/2014	
6. Request for payment of MDB Implementation Services Costs (USD):	<input type="checkbox"/> First tranche (preparation): US\$ 300,000 for preparation work <input checked="" type="checkbox"/> Second tranche (supervision): US\$ 695,000		
7. Project/program financing category:	a - Investment financing - additional to ongoing MDB project <input type="checkbox"/> b- Investment financing - blended with proposed MDB project <input type="checkbox"/> c - Investment financing - stand-alone <input checked="" type="checkbox"/> d - Capacity building - stand alone <input type="checkbox"/>		
8. Expected project/program duration (no. of years):	5 years		

9. Explanation of final estimate of MDB costs for implementation services:

If final estimate in 5 above exceeds the relevant benchmark range, explain the exceptional circumstances and reasons:

IBRD's fee request for the preparation and supervision of the Global Component of the DGM is above the established benchmark range for the following reasons:

The scope of the task goes beyond that of a single project. The DGM Global Component is a part of the overall Dedicated Grant Mechanism, and IBRD, during preparation of the Global Component, defined the overall framework of the DGM that will be implemented in the 8 pilot countries, and the governance mechanism and the relationship between the country projects and the Global Component. This was seen as a necessary step to maintain consistency on key issues such as program criteria, beneficiary eligibility, governance structures, the roles of different stakeholders and reporting across the pilot countries. In this next phase the IBRD team will continue this role of coordination, monitoring and communication across the eight pilot countries which provide the rationale for the upward revision of the MPIS request.

The Dedicated Grant Mechanism is a complex and innovative program. It is both a capacity building and investment program which is highly process driven and dependent on the decisions of the Indigenous Peoples and Local Communities at every step during preparation and implementation. With regard to their capacities and diversity close follow up and interaction is required to ensure smooth implementation and to minimize the risk of conflicts. To maintain consistency and enable the operationalization of the Program the IBRD team for the Global Component ensures coordination and consistency among the eight country processes. The proposed fees will cover yearly supervision costs of the DGM Global Component for 5 years as well as the costs associated with overall coordination of the preparation and implementation of the 8 country DGM projects.

At the time of initial estimate IBRD's role in the DGM was clear only in three pilot countries in addition to the global component. However, since then IBRD's role has expanded to all eight pilot countries. During the preparation of the Global Component IBRD initiated engagement with each country as it came on board and mobilized internal and external stakeholders to bring

everyone up to speed on the Program and initiate the process at country level. The expenditure for these additional activities could not be anticipated at the time of the initial estimate and were borne from IBRD's own resources. The expanded role necessitates a corresponding increase in the budget outlay for IBRD. During the next 18-24 months IBRD envisages greater intensity of supervision and coordination as the Global Steering Committee is established and pilot country projects progress at varying speed. During this critical period the IBRD team will provide the additional guidance to country projects during selection of executing agencies and preparation and review of internal documentation and preparation of a common monitoring and reporting framework. The IBRD team will also provide close guidance to ensure consistency of DGM activities with the broader FIP Investment Plans and overall FIP program

Given the increased public attention the DGM already receives at the global level, the Program requires a high level of information exchange, communication, outreach and coordination with other programs and partners (such as FCPF, UNREDD) as well as with a number of stakeholders who have an interest and whose involvement is important for strategic reasons.

For these reasons and on the basis of the experience in preparation of the Global Program since 2012 IBRD proposes a revised MPIS request.

10. Justification for proposed stand-alone financing in cases of above 6 c or d: