PROJECT TITLE: ADDITIONAL FINANCING TO PHASE 2 OF THE DEDICATED GRANT MECHANISM (DGM) GLOBAL PROJECT

COUNTRY: GLOBAL

MDB: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

<table>
<tr><th colspan="6">Concept Note</th></tr>
<tr><td>Country/Region</td><td colspan="2">Global</td><td>CIF Project ID#</td><td colspan="2">Auto Generated by CIF AU</td></tr>
<tr><td>Source of Funding:</td><td colspan="2">x FIP</td><td>PPCR</td><td colspan="2">SREP</td></tr>
<tr><td>Type of CIF Investment:</td><td>x</td><td colspan="2">Public</td><td></td><td>Private</td></tr>
<tr><td>Project/Program Title</td><td colspan="5">ADDITIONAL FINANCING TO PHASE 2 OF THE DEDICATED GRANT MECHANISM (DGM) GLOBAL PROJECT</td></tr>
<tr><td>Sector, Theme and Technology</td><td colspan="5">Indigenous Peoples / Local Communities</td></tr>
<tr><td>Project Lifetime</td><td colspan="5">2 years</td></tr>
<tr><td rowspan="2">Is this a private sector program composed of sub-projects?</td><td colspan="3">No</td><td colspan="2"></td></tr>
<tr><td colspan="3">No</td><td colspan="2">x</td></tr>
<tr><td colspan="6">Financial Products, Terms and Amounts (same as CCH)</td></tr>
<tr><td colspan="3">Financial Product</td><td>USD
(million)</td><td colspan="2">EUR
(million)[b]</td></tr>
<tr><td colspan="3">Grant</td><td>2,000,000</td><td colspan="2"></td></tr>
<tr><td colspan="3">Fee on grant</td><td>260,000</td><td colspan="2"></td></tr>
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<tr><td colspan="3">Public sector loan – Senior loan</td><td></td><td colspan="2"></td></tr>
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<tr><td colspan="3">Equity</td><td></td><td colspan="2"></td></tr>
<tr><td colspan="3">Senior loan</td><td></td><td colspan="2"></td></tr>
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<tr><td colspan="3">Subordinated debt / mezzanine instruments with income participation</td><td></td><td colspan="2"></td></tr>
<tr><td colspan="3">Subordinated debt/mezzanine instruments with convertible features</td><td></td><td colspan="2"></td></tr>
<tr><td colspan="3">Convertible grants and contingent recovery grants/loans</td><td></td><td colspan="2"></td></tr>
<tr><td colspan="3">Other (please specify)</td><td></td><td colspan="2"></td></tr>
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Total	2,260,000	
Implementing MDB(s)	IBRD	
MDB Focal Point and Project/Program Task Team Leader (TTL):		
Headquarters-Focal Point: *Ines Angulo* *iangulo@worldbank.org* *Dinara Besekei Sutton* *dakhmetova@worldbank.org*		
TTL Dinara Besekei Sutton *dakhmetova@worldbank.org*		
National Implementing Agency:	Conservation International (CI)	
Project Description and Justification for Funding [c]		

Phase 1 of the Global Learning and Knowledge Exchange Project has established a platform for capacity-building and strengthening partnerships among and between Indigenous Peoples and Local Communities (IPLC) organizations, and it serves as a chapeau or umbrella for the program as a whole, including the country DGM projects. The Phase 2 DGM Global project utilized resources built in Phase 1 of the DGM Global project to continue strengthening the capacities of DGM IPLCs and share knowledge and learning from the DGM with a wider IPLC community. The overall DGM Governance structure was designed and endorsed by IPLCs during the first phase of the DGM Global project. Consequently, the second phase of the DGM Global project was built on established procedures, modalities, and the DGM governance structure.

The Additional Financing for Phase 2 of the DGM Global Project (AF for Phase 2 DGM) will focus on the following: (i) implementation of activities of the parent project (Phase 2 DGM) in transition to the CIF's Nature, People, Climate Program (NPC)– e.g. to support global and regional learning (DGM learning exchanges and Fellow Exchanges), governance and partnership component (secretariat service for the Global Steering Committee (GSC) meetings, GSC Subcommittees, and Co-chairs, managing IPLCs partnership and networks), monitoring, reporting, GRM, and communications ; and (ii) development and implementation of the exit strategy for the FIP DGM program.

The Project Development Objective is to strengthen networks and partnerships for DGM Indigenous Peoples and Local Communities (IPLCs) at regional and global levels. The direct beneficiaries of the Phase 2 DGM Global project are Indigenous Peoples and Local Communities (IPLCs) who engage with 12 Country Projects (Brazil, Burkina Faso, Cote d'Ivoire, DRC, Ghana, Guatemala, Indonesia, Mexico, Mozambique, Nepal, Peru and Republic of Congo) funded by the DGM as well as distinguished IPLC representatives from other countries supporting forest-dependent Indigenous Peoples and Local Communities.

The design of the AF for Phase 2 DGM will remain the same as the parent (Phase 2 DGM) project, however, a few additional outcomes and indicators are introduced, including:

The first component will be focused on organizing and facilitating knowledge exchange, learning, and capacity building on forests and climate change issues at regional and global levels. Particularly this component will provide trainings and south-south exchanges of regional and global relevance. The second component will help to enable the GSC to fulfill its role within the DGM. Given the wide range of the GSC's functions, a significant portion of DGM Global activities is devoted to providing the necessary resources to the GSC. Under this component, the project will furthermore facilitate the discussions with the GSC members to (i) continue supporting knowledge exchange between the DGM national projects that are still under implementation, and (ii) develop an exit strategy for FIP DGM. AF for the DGM Global project will also ensure that lessons learned from the DGM mechanism help set the framework for the NPC DGM Program. The third component will cover the costs for implementing DGM Global communications, robust monitoring and reporting (M&R), and an efficient project-related Grievance and Redress Mechanism (GRM). Additionally, this component will cover the incremental operational, technical, and managerial costs of the Global Executing Agency (GEA) team, at CI, to carry out its tasks and overall responsibilities required to support the management, monitoring, reporting, and communications of project activities. The project will finance staff, consultants, goods, and operational costs for the GEA.

Consistency with investment criteria

(a) Climate change mitigation potential.

While the initial concept focused only on results-based payments for "avoided deforestation," the current definition of REDD Plus (or REDD+) by the UNFCCC is more holistic and includes sequestering carbon through forest conservation, sustainable management of forests, and enhancement of forest carbon stocks. It recognizes that climate change mitigation outcomes cannot be achieved without addressing development needs. The approach now includes 'co-benefits' or 'multiple benefits,' the 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. Phase 2 of the DGM will continue strengthening the capacities of IPLCs in REDD + and beyond.

(b) Demonstration potential at scale.

The DGM program is demonstrating – with impressive results – that the impact of IPLCs' implementation of climate finance can be felt across many scales, from streamlining land titling efficiently at the national level to strengthening the role of IPLCs in international climate policy. The significant progress reported in the recent DGM Annual Country Report demonstrates ways IPLCs can be involved successfully in national actions. Key factors for their success include:

- It is governed by IPLC leaders: DGM is governed by IPLC organizations and supported by an Executing Agency. This structure contributes to transparency and effectiveness when targeting project objectives and priorities.
- It is implemented by IPLC organizations and communities: this creates a great sense of ownership and accountability in the project. Project implementers are, therefore, also already familiar with the local context and complexity of land titling processes in each region.

- It is decentralized: DGM has demonstrated its efficiency in comparison to more extensive and older funding pledges.
- It is designed with specific objectives: the funding has clear objectives, and stakeholders are not only delivering results but also building their capacities to manage multilateral finance. Moreover, IPLC leaders are participants in the design process.
- Greater recognition of IPLC issues: it contributes to poverty reduction, livelihood development, climate, and sustainable forest management at the country and global levels and raises awareness of the work IPLCs are carrying out.
- The augmented capacity of IPLCs: increasing IPLC capacity to participate in REDD+ processes, manage funds, implement and monitor projects is a critical element of the DGM.
- IPLC empowerment: as a result of the negotiation, design, and implementation of the DGM, IPLC organizations play a key role in the design and implementation of policies and programs that impact them directly, represent their constituents, and engage at a global level.
- Gender-inclusive approach: female representation in the Global Steering Committee and an increase in participation in project activities/training led by women.
- Efficiency in project implementation: IPLC-led and implemented mechanism results in the more efficient implementation of project objectives and land tenure processes.

The Phase 2 of the DGM will continue its activities for IPLCs at global and regional levels, as well as it is intended to support both the first set of DGM countries and new DGM countries (Nepal and other countries approved in the past two years – Guatemala, Republic of Congo).

(c) Cost-effectiveness.

By design, this project is technical assistance to support the knowledge management system and provide capacity building to the beneficiaries. While it is possible to some extent to assess cost-benefits for the country-based DGM projects, there are many limitations related to data availability and measurement that prevent the application of the regular cost-benefits assessment in the context of the Phase 2 DGM Global Project. One of the commonly applied approaches to assess the efficiency of similar Knowledge Management and Exchange projects is the cost-per-unit comparison method, when the cost of the project or its elements is compared to the projects with similar outcomes. This project is designed in a similar way as many other projects of this kind – an umbrella or chapeau knowledge platform, intended to provide capacity building, and technical assistance to the set of DGM country projects, and facilitate or manage knowledge exchange among beneficiaries. This analysis demonstrated that the composition and the overall cost of the Phase 1 of the DGM Global project and Phase 2 of the DGM Global project are compatible with other projects of this kind.

(d) Implementation potential.

The DGM global project is being successfully implemented by the Global Steering Committee (GSC), with support from the Global Executing Agency (GEA), since the start of Phase 1 in 2015. This AF will continue supporting the established DGM Global design.

The GSC provides intellectual and policy leadership to the DGM and monitors the overall implementation of the DGM. It will report to the FIP SC on the progress of the program. The GSC also has an essential role in external interactions with contributor countries and other partners to advocate for IPLCs in international forums on climate change and REDD+. Representatives of the GSC will also assist in disseminating information and raising awareness about the DGM in their countries and in identifying opportunities for additional resources and expansion of the program. The GSC will ensure that the program lessons are widely disseminated. The GSC will mediate complaint and grievance issues if requested by any National Steering Committee (NSC). The GSC approves the annual work program to be implemented by the Global Executing Agency (GEA) for the Global Project. The GSC also has a vital role in external interactions to advocate for IPLCs in international forums on climate change and REDD+. The GEA, Conservation International, will provide secretariat functions for the GSC. The GEA will carry out the agreed activities of the Global Project and will have responsibility for the overall communications and outreach activities of the DGM. It will coordinate actively with the National Executing Agencies (NEAs) in the DGM countries to develop and apply a monitoring framework and report on the implementation progress of the DGM, organize knowledge and learning exchanges, and lead DGM global communications. The GEA will liaise with global partners working on similar issues to enhance synergies and learning opportunities through the DGM. Such partners could be the UN-REDD, FCPF, IFAD, GEF, international foundations, and others. The GEA will also facilitate a grievance redress and complaints mechanism on behalf of the GSC. For the implementation of the second phase of the Global Project, the GEA will seek approval of its work plan by the World Bank and will report to the World Bank on the program, including fiduciary aspects. The GEA will implement activities of the Global Project in compliance with the World Bank's operational policies, including the ESF.

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

The project's approach also embodies many of the United Nations' (UN) Sustainable Development Goals (SDGs) and will strongly contribute to the 2030 Agenda for Sustainable Development Goal of Leaving No One Behind. Overall, the project interventions will contribute to poverty reduction (SDG-1: No Poverty) and inclusive and sustainable economic growth (SDG-8: Decent Work and Economic Growth). The project will promote sustainable forest management and reverse land degradation (SDG-15: Life on Land), and promote climate change action, awareness-raising, and human capacity in climate change mitigation and adaptation, which will increase the resilience of the rural population (SDG-13: Climate Action). It will also contribute to capacity-building of local communities, enhancing multi-stakeholder partnerships to mobilize and share knowledge, expertise, and technology in the targeted forest areas while at the same time encouraging and promoting effective partnerships with public, private, and civil society organizations (SDG-17: Partnerships for the Goals).

(f) Safeguards.

World Bank Environmental and Social Risk Classification (ESRC) for Phase 2 of the DGM Global project is low. Environmental Risk was rated low, as well as social risk. The project's specific activities are unlikely to generate significant environmental and social risks and impacts as activities are primarily aimed at providing a space and structure for better coordination, knowledge sharing, and overall collaboration between IPLC in and outside the program. Moreover, the leadership role of IPLCs in the governing body of

the program ensures that the stakeholders steer the program, which will lead to positive outcomes on the social side.
Stakeholder Engagement
The key constituents of the DGM are the two Steering Committees – the National Steering Committee (NSC) and the Global Steering Committee (GSC), which are the main decision-making bodies. Both Committees are comprised primarily of Indigenous Peoples and Local Communities (IPLCs) as decision-making members. The selection process of the GSC, consisting of one member from each participating DGM country, is done by the members of each National Steering Committee. The DGM Global is implemented, under the leadership and guidance of a GSC, by the World Bank in partnership with a GEA. The GSC has led the design and scope of this project since its early beginnings. The recommendations are reflected in documents such as (i) GSC Meeting Decisions in 2017, 2018, and 2019, (ii) GSC and GEA Mid-term review report to WB in 2017, (iii) DGM updates at FIP SC meetings, (iv) GSC Budget Subcommittee and Sustainability working group meetings, (v) WB Annual Project Missions, and (vi) Global Project Semiannual and Annual Reports.
Gender Considerations
The project will ensure a strong female representation in the Global Steering Committee (GSC) and an increase in participation in project activities/training led by women. As mentioned in the Gender Review of the DGM, according to the DGM design document, there is no specific guidance or requirements on gender composition within the GSC. While the DGM operational guidelines (2013), state that the selection process of all steering committees should take "into account principles of equity, inclusiveness and transparency," gender is not specified. Indeed, the governance structure of the GSC (as outlined in the GSC Rules & Procedures document) identifies the need for both Indigenous People and Local Community representation but presents no further requirements on other characteristics such as gender. The GSC has evolved over the years as new country projects joined the DGM. For example, the most recent term (2017-2021) was 46% women while the previous term (2015-2017) was 20-30% women. It is also important to note that both man and woman have served as co-chairs from the beginning, and this was maintained in the most recent selection in July 2021. The GEA has made concerted efforts to communicate the importance of gender parity in GSC-level decision making, which has also likely had an impact on GSC make-up. To ensure gender balance in GCS composition, the project will communicate to the GSC the need to improve gender parity and recommend developing a guidance on gender composition within the GSC.
Indicators and Targets

Project/Program Timeline	
Expected start date of implementation[d]	September, 2023
Expected end date of implementation[d]	**December, 2025**
Expected investment lifetime in years (for estimating lifetime targets)	2
Core Indicators	**Targets**
PDO Indicator One: IPLC and DGM stakeholders engaged in DGM global and regional knowledge exchange (number) (disaggregated by gender, 50% women)	50
PDO Indicator Two: DGM Global fellows that achieved their learning objectives (percent gender-disaggregated)	85
PDO Indicator Three: Capacity-building activities under DGM (number) (disaggregated by type)	10
PDO Indicator Four: Joint activities and/or alliances under IPLC leadership at regional and/or global level that emerged through the global platform (number)	15
PDO Indicator Five: GSC providing fiduciary and general oversight to the DGM program (Yes/No)	Yes
Intermediate Results Indicators	**Targets**
IR Indicator 1.1: Number of person-hours of capacity building and/or knowledge exchange in global exchanges (number)	10,000
IR Indicator 1.2: Percentage of satisfaction of exchange participants (percent)	85
IR Indicator 1.3: Percentage of exchange participants in learning and knowledge exchange activities belonging to non-DGM countries (percent);	20
IR Indicator 1.4: Percentage of women participants in Global and Regional Learning Exchanges (percent)	50
IR Indicator 2.1: Number of relevant international events for GSC members with other IPLC partners and networks (number)	10
IR Indicator 2.2: Percentage of GSC members that perceive DGM governance and processes as transparent and inclusive (percent)	70
IR Indicator 2.3: Percent Satisfaction of GSC Members (level of commitment) (percent)	80
IR Indicator 3.1: Percentage of grievances elevated to and addressed by GSC, related to the delivery of the DGM (percent)	100

IR Indicator 3.2: Average monthly unique visitors to the DGM Global website (past 3 months)	500	
IR Indicator 3.3: Publications and communication materials/tools that advance the field of IPLC-led conservation (number)	10	
IR Indicator 3.4: Number of DGM reports produced (number)	8	
Co-financing		
	Please specify as appropriate	Amount (in million USD)
MDB 1		
MDB 2 (if any)		
Government		
Private Sector		
Bilateral		
Others (please specify)		
Total Co-financing	**0**	**0**
SCF Funding		2,260,000
Total (Co-financing + SCF funding)		2,260,000
Indicative Date of Submission of Project Proposal for FIP TC Approval		
June 1, 2023		
Other Information		

NOTES:

[a] This cover page is to be completed and submitted together with the MDB project/program proposal when requesting SCF funding approval by the Technical Committee/GCAP Sub-Committee

[b] For products denominated in EUR, please also provide USD equivalent in the column to the left

[c] Please provide the information in the cover page or indicate page/section numbers in the accompanying project/program proposal where such information can be found.

[d] Insert "not applicable" (N/A) if dates cannot be determined at the time of submission (e.g. private sector programs)

[e] Insert value N/A if indicator is not applicable to the project/program.

Version: March 14, 2023