

## Template for Summary of Project/Program<sup>1</sup>

FOREST INVESTMENT PROGRAM			
Project/Program Approval Request			
1. Country/Region:	Peru	2. CIF Project ID#:	(Trustee will assign ID)
3. Project/Program Title:	<i>Dedicated Grant Mechanism in Peru</i>		
4. Type of FIP Investment:	<i>Private:</i>	<i>Public: X</i>	<i>Mixed:</i>
5. Funding Request (in USD million total) for Project/Program:	<i>Grant: 5.5 million</i>	<i>Non-Grant:</i>	
6. Approved Preparation Grant:	<i>Amount (USD):None</i>	<i>Date:</i>	
7. Implementing MDB:	IBRD		
8. Other MDB Involvement:	<i>MDB:</i>	<i>Type of Involvement:</i>	
9. National Project Focal Point:	<i>Gustavo Suarez de Freitas (FIP Focal Point, MINAM) National DGM Steering Committee (DGM Focal Point)</i>		
10. National Implementing Agency <sup>2</sup> for project/program:	<i>World Wildlife Fund -Peru</i>		
11. MDB FIP Focal Point and Project/Program Task Team Leader (TTL):	<i>Headquarters-FIP Focal Point: Gerhard Dieterle</i>	<i>TTL: Kristyna Bishop</i>	

<sup>1</sup> To be submitted together with the full project document for approval by the FIP Sub-Committee.

<sup>2</sup> Can be Government agency or private sector firm.

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

The **Project Development Objective** for the Dedicated Grant Mechanism Peru (Saweto DGM) is to support Indigenous Peoples in selected communities in the Peruvian Amazon in their efforts to improve their sustainable forest management practices.

The Project will finance three components. **Component 1** will finance native community land titling and **Component 2** will finance indigenous community forestry management. **Component 3** will finance activities focused on improving the governance and sustainability of the DGM. All components will include activities or methodologies intended to increase capacity for forest governance at the community level.

The Project will be implemented in two phases over 5 years. Phase I will be implemented in Years 1, 2 & 3 with an indicative budget of USD\$3.3 million. Phase II will be implemented in Years 4 & 5 with an indicative budget of USD\$2.2 million. This phased approach will allow for adjustments during implementation and to monitor progress toward achieving the indicators. There will be a mid-term review at the end of Year 3 to assess progress with implementation and to make any necessary adjustments.

A key design feature is that the sub-projects will be directly implemented by regional indigenous federations and organizations acting as Project Intermediaries (PI). In order to be eligible to act as a PI, the regional indigenous federation or organization must have *personeria juridica* and be explicitly requested by the community to act in this capacity. The NEA will sign an executing agreement with the PIs to implement the activities outlined in the master proposals. The executing agreement will clearly set out the responsibilities and obligations of both parties, confirm the final budget for the referenced activities, define procurement arrangements, disbursement arrangements, eligible expenditures and reporting requirements.

**13. Gender considerations:**

In order to support the significant role that indigenous women play in protecting the forest, \$500,000 has been set aside under Component 2 for subprojects proposed or that will be primarily managed by women. This will include subprojects focusing on food security, agroforestry and timber.

**14. Consistency with FIP Investment Criteria:**

This Project has the same components and will be implemented in the same geographical area as the FIP Investment Plan for Peru.

**15. Key Results and Indicators for Success (consistent with FIP results framework):**

<b>Result</b>	<b>Indicator</b>
310 native communities in the Amazon recognized by end of project	Native communities recognized and registered with SUNARP by end of project
130 native communities with their land demarcated, titled and registered with SUNARP by end of project	Native communities demarcated and title registered with SUNARP by end of project

780,000 total hectares of land titled by end of project	780,000 hectares of native community titled lands in high threat areas	
50 food security projects that are fully implemented by the end of the Project (Phase I & II)	Native communities with food security and income generating projects implemented in a satisfactory manner according to the standards to be established by the NSC	
20 income generating productive projects that are fully implemented by the end of the Project (Phase I & II)	Native communities with sustainable timber projects implemented in a satisfactory manner according to the standards to be established by the NSC	
\$500,000 assigned to sub-projects proposed by or that will be primarily managed by women by the end of the Project	Number of project financed proposed by or primarily managed by women	
<b>16. Co-Financing<sup>3</sup>:</b>		
	<i>Amount (USD million):</i>	<i>Type of contribution:</i>
• Government	-	
• MDB	-	
• Private Sector	-	
• Others (please specify)	-	
<b>Co-Financing Total</b>	NA	
<b>17. Project/Program Timeframe:</b>		
Expected Board/MDB Management <sup>4</sup> approval date: 07/15/2015		
Expected Date of Effectiveness <sup>5</sup> : 09/01/2015		
Expected Mid-Term review date: 07/01/2018		
Expected Project/Program closure <sup>6</sup> date: 12/31/2020		

<sup>3</sup> This includes: in-kind contributions (monetary value), MDB loan or grant, parallel financing, etc.

<sup>4</sup> In some cases activities will not require MDB Board approval.

<sup>5</sup> Expected date of signature of grant or loan agreement.

<sup>6</sup> Financial closure date.

**18. Role of other Partners involved in project/program<sup>7</sup>:**

There are currently at least four major efforts underway to finance native land titling in the Amazon: IDB PTRT-3, FIP, Norway/German MOU and the DGM. While this proliferation of resources will ensure that native community titling is advanced significantly over the next few years (and provides a serious motivation for it to be completed), it does require a high level of coordination among the various financial players, stakeholders and potential beneficiaries. This risk will be mitigated by regular meetings with the teams working on each of the above as well as regular communication with the National Forest and Climate Change program which is coordinating all of the various projects with the exception of the DGM. Additional coordination efforts will be undertaken by AIDSESEP and CONAP as part of their work as members of the NSC for the FIP, which also includes many of the most relevant non-indigenous stakeholders and members of the other native community land titling projects.

The DGM is the smallest and most limited of the current efforts to title land in the Amazon. However, it is well advanced and has certainly had the most innovative approach to preparation; preparation included the full and continuous participation of all the key Project stakeholders including the World Bank, WWF-Peru as the National Executing Agency, the National Steering Committee (NSC) which consists of 10 permanent members from the two indigenous counterpart organizations - 5 from AIDSESEP and 5 from CONAP – as well as the 30 regional indigenous leaders from the Project area. There has been continuous coordination, communication and flow of information among these stakeholders and other relevant actors in the sector.

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<sup>7</sup> Other local, national and international partners to be involved in implementation of the project/program.

19. **Implementation Arrangements** (incl. procurement of goods and services):

The implementation arrangements for the Project reflect a strong commitment to a community driven approach that will build the capacity of the beneficiary communities to identify their own priorities and directly participate in the implementation of the land titling and sustainable forestry subprojects; both of which are expected to greatly contribute to building their capacity for better and more sustainable forest management in the long term. Capacity building in key aspects of project implementation such as financial management and procurement have been prioritized for WWF-Peru, NSC and Project Intermediaries (PIs) during the first six months of Project implementation.

Overall **governance** for the implementation of the DGM Peru will be provided by the NSC according to the provisions in the Project's OM. The NSC was established by consensus between AIDSESEP and CONAP in July 2013. There are 10 permanent members; 5 for each of AIDSESEP and CONAP. The NSC will review and approve the master proposals submitted by the regional indigenous organizations or federations that will act as Project Intermediaries.

Day to day **administration and financial management** will be provided by WWF-Peru acting as the National Executing Agency. They were selected by the NSC during a highly competitive and inclusive process that was completed in September 2014. They will assume full and primary responsibility for the administration of the DGM grant resources, compliance with the Bank's fiduciary and safeguard policies and procedures and all Project-related monitoring and reporting. The NEA will also be responsible for bulk procurement of goods that are needed for all sub-projects in order to promote cost efficiencies where possible (equipment such as GPS, fuel and motors for boats etc.). The Bank will sign a Grant Agreement with WWF Peru and transfer the DGM resources as indicated in the Agreement. In order to ensure a more seamless transition, WWF Peru has been involved in Project preparation and they led the preparation of the Project's OM.

The NEA will enter into executing agreements with the 18 PIs for the **implementation** of the subprojects and will provide technical support to them when requested. They will prepare a master proposal that will include a minimum of three sub-projects to be financed under both Component 1 and 2 and will cover an execution period of 18-24 months. The PIs will work directly with the beneficiary communities to provide technical assistance and help them identify and prioritize the subprojects to be financed and prepare the master proposals to submit to the NEA and the NSC. Specifically, the PIs will: i) Ensure that sub-projects meet the eligibility criteria outlined in the PAD and the OM; ii) Assist with the preparation of a budget for the sub-projects/master proposal and identify any potential cost efficiencies and/or savings; iii) Identify how the sub-projects might contribute to the gender target established for Component 2; and iv) Prepare an implementation plan to cover the execution period. The sub-projects would be implemented with the full participation and broad community support of the beneficiary community or group of communities.