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Report No: PP3587

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT *AND/OR*

PROJECT PAPER

ON A

PROPOSED GRANT

IN THE AMOUNT OF

US\$ 2.3 MILLION

TO

CONSERVATION INTERNATIONAL

FOR A

ADDITIONAL FINANCING FOR DGM PROGRAM AND GLOBAL LEARNING AND KNOWLEDGE
EXCHANGE PROJECT

JULY 29, 2020

Environment, Natural Resources & The Blue Economy Global Practice
Global

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CURRENCY EQUIVALENTS

(Exchange Rate Effective July 17, 2020)

Currency Unit = US\$

US\$1 = US\$1

FISCAL YEAR

July 1 - June 30

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ABBREVIATIONS AND ACRONYMS

AU	Administrative Unit
CI	Conservation International
CIF	Climate Investment Funds
COP	Conference of the Parties
CPF	Country Partnership Framework
DGM	Dedicated Grant Mechanism
EMRIP	Expert Mechanism on the Rights of Indigenous Peoples
FAP	Forest Action Plan
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
GCF	Green Climate Fund
GCT	Global Communications Team
GEA	Global Executing Agency
GEF	Global Environment Facility
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GSC	Global Steering Committee
ITAD	Monitoring & Evaluation for International Development Consulting
IFAD	International Fund for Agricultural Development
IIPFCC	International Indigenous Peoples Forum on Climate Change
IPLC	Indigenous Peoples and Local Communities
LMP	Labor-Management Procedures
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
NEA	National Executing Agency (of the DGM Country Projects)
NTFP	Non-timber forest product
PDO	Project Development Objective
PEN	Poverty and Environment Network
REDD	Reducing Emissions from Deforestation and Forest Degradation
SC	Sub-Committee
SCD	Systematic Country Diagnostic
SDG	Sustainable Development Goal
UN	United Nations
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNFCCC	United Nations Framework Convention on Climate Change
UNPFII	United Nations Permanent Forum on Indigenous Issues
UN-REDD	United Nations REDD Programme
UNSR	United Nations Special Rapporteur on the Rights of Indigenous Peoples
WBG	World Bank Group

Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

BASIC INFORMATION

Is this a regionally tagged project? No		Country (ies)
Financing Instrument Investment Project Financing		Classification Small Grants
Approval Date 29-Jul-2020	Closing Date 30-Jun-2023	Environmental and Social Risk Classification Low
Approval Authority CDA	Bank/IFC Collaboration No	

Please Explain

Proposed Development Objective(s)

The Project Development Objective is to strengthen networks and partnerships for DGM Indigenous Peoples and Local Communities (IPLCs) at regional and global levels.

Components

Component Name	Cost (USD Million)
Global and Regional Learning	609,709.00
Governance and Partnerships	800,701.00
Monitoring, Reporting, GRM, and Communications	643,007.00
Management of the DGM Global Executing Agency	246,582.00

Organizations

Borrower : Conservation International

Implementing Agency : Conservation International

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	2.30
Total Financing	2.30
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	2.30
Strategic Climate Fund Grant	2.30

Expected Disbursements (in USD Million)

Fiscal Year	2020	2021	2022	2023
Annual	0.05	1.06	1.01	0.18
Cumulative	0.05	1.11	2.12	2.30

INSTITUTIONAL DATA

Financing & Implementation Modalities

Situations of Urgent Need of Assistance or Capacity Constraints

☐ Fragile State(s)
 ☐ Fragile within a non-fragile Country
 ☐ Small State(s)
 ☐ Conflict
 ☐ Responding to Natural or Man-made Disaster

Other Situations

- | | |
|---|--|
| <input type="checkbox"/> Financial Intermediaries (FI) | <input type="checkbox"/> Series of Projects (SOP) |
| <input type="checkbox"/> Performance-Based Conditions (PBCs) | <input type="checkbox"/> Contingent Emergency Response Component (CERC) |
| <input type="checkbox"/> Alternative Procurement Arrangements (APA) | <input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS) |

Practice Area (Lead)

Environment, Natural Resources & the Blue Economy

Contributing Practice Areas

OVERALL RISK RATING

Risk Category	Rating
Overall	● Moderate

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Not Currently Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

Legal Covenants

Conditions

Type	Description
Effectiveness	This Agreement shall not become effective until the Recipient has furnished to the Bank of the Operations Manual, in form and substance satisfactory to the Bank.

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
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Extended Team			
Name	Title	Organization	Location

Note to Task Teams: End of system generated content, document is editable from here.

WORLD
 ADDITIONAL FINANCING FOR DGM PROGRAM AND GLOBAL LEARNING AND KNOWLEDGE EXCHANGE
 PROJECT

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I. STRATEGIC CONTEXT

A. Global Context

1. Forests are essential to maintain global carbon balance and ecosystem services. They comprise the largest terrestrial carbon pool and balance the global carbon budget storing nearly 247 gigatons of carbon (45 percent of terrestrial carbon) in their biomass for decades or longer, releasing it to the atmosphere only when burned or cleared for other land uses. As carbon sinks, forests remove around 27 percent of the annual global CO₂ emissions from the atmosphere, which helps to keep the total atmospheric concentration of CO₂ in check and slow down global warming.
2. It is estimated that forest ecosystems in the tropics are the source of sustenance for Indigenous Peoples and Local Communities (IPLCs) as a source of food, fuelwood, hunting, fishing, non-timber products, shifting agriculture and medicines and, as a source of cultural identity. While Indigenous Peoples own, occupy, or use a quarter of the world's surface area, they safeguard 80 percent of the world's remaining biodiversity.¹ Forest-dependent Indigenous Peoples and Local Communities own and manage forest resources and biodiversity in a sustainable manner contributing to the preservation of global forest area.
3. Indigenous Peoples (IPs)² and Local Communities (LCs)³ hold a considerable amount of the world's land. There are approximately 1.5 billion Indigenous Peoples and Local Communities in the world, and their customary lands encompass as high as 65 percent or more of the world's land area.⁴ Livelihoods of these communities, and particularly of the IPs, their culture, social fabric, spiritual practices, and often identity, are based and depend on these lands and associated natural resources.
4. Notwithstanding a broad spectrum of tenure and rights regimes, many communities see themselves as stewards of forests and have an intricate relationship with the land and its biodiversity. Disturbance of forest ecosystems and their biodiversity results in loss of livelihoods and food sources, forcing communities to migrate, resulting in poverty and cultural dispossession, including loss of Indigenous knowledge and skills. IPLCs are likely to face more significant stress due to close cultural and ancestral ties with the forest ecosystems of which they are a part.
5. Additionally, IPLCs hold vital ancestral and traditional knowledge and expertise on how to adapt, mitigate,

¹ World Bank. (2019). Indigenous People. [Website] <https://www.worldbank.org/en/topic/indigenouspeoples#1>

² Definition of Indigenous Peoples is based on the World Bank's Environmental and Social Framework and Standards.

³ Although there is no set definition of "local or traditional communities" and the definition varies in each country. According to the Convention on Biological Diversity (2006), the issue of cultural identity is a multidimensional and complex issue. Self-identification is the most appropriate way to establish who may be indigenous and local and/or traditional communities.

⁴ Alden Wily, L. (2011). The tragedy of public lands: The fate of the commons under global commercial pressure. Rome: International Land Coalition. Retrieved from <http://www.landcoalition.org/en/resources/tragedy-public-lands-fate-commons-under-global-commercial-pressure>.

and reduce climate and disaster risks. IPLCs manage some of the biggest carbon stocks in the world. According to Rights and Resources Initiative (2018),⁵ IPLC lands store about 17 percent or 293,061 million metric tons (Mt) of the total carbon stored in the forestlands, making these lands critically important in the global fight to curb climate change.

B. Sectoral and Institutional Context

6. Reducing Deforestation and Forest Degradation (REDD) has emerged as a promising approach that can tackle forest-based emissions *and* contribute to development outcomes. The idea of rewarding countries for avoiding deforestation caught the imagination of the international community and received strong affirmation in the Stern Review⁶ in 2006, which concluded that “*curbing deforestation is a highly cost-effective way of reducing GHG emissions.*” Consequently, efforts to conserve forests and slow down, reduce and reverse forest loss have been a part of the United Nations Framework Convention on Climate Change (UNFCCC) negotiations since 2007 through actions collectively referred to as REDD+.
7. While the initial concept focused only on results-based payments for “avoided deforestation,” the current definition of 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,’ 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.
8. A wealth of experience is being generated through REDD+ pilot programs on the ground. The Forest Carbon Partnership Facility (FCPF), the Forest Investment Program (FIP), Global Environment Facility (GEF) and the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme), in addition to bilateral and Non-Governmental Organization (NGO)-supported programs are implementing REDD projects around the world. Experience from these projects is enhancing the understanding of policy and institutional mechanisms to enable countries to not only reduce deforestation but also measure reports and verify the gains in forest cover and benefit from performance-based payments.
9. The FIP was established in 2009 as one of the four targeted programs under the Climate Investment Fund (CIF) to provide upfront bridge financing to developing countries’ REDD-efforts. The Dedicated Grant Mechanism (DGM) program is currently implemented in twelve countries where FIP resources are deployed

⁵ Rights and Resources Initiative. (2018). A Global Baseline of Carbon Storage in Collective Lands. Retrieved from https://rightsandresources.org/wp-content/uploads/2018/09/A-Global-Baseline_RRI_Sept-2018.pdf

⁶ Stern Review. (2006). The Economics of Climate Change. Retrieved from http://mudancasclimaticas.cptec.inpe.br/~rmclima/pdfs/destaques/sternreview_report_complete.pdf

to address key drivers of deforestation and forest degradation for transformational change that can be scaled up.

10. The design of the FIP identified the need for active participation of IPLCs in the program, in line with ongoing international discussions on the role of IPLCs in REDD+. IPLC observers at FIP design discussions stressed the need for dedicated resources to augment their capacity to participate in FIP implementation. The FIP Design Document recognized that *“the full and effective, continuous participation of indigenous peoples and local communities in the design and implementation of FIP investment strategies is necessary. This participation will be highly dependent on strengthening the capacity of these groups to play an informed and active role in national REDD processes in general and FIP processes in particular, as well as on recognizing and supporting their tenure rights, forest stewardship roles, and traditional forest management systems,”* and mandated the establishment of a unique initiative – a DGM for IPLCs *“to provide grants to Indigenous Peoples and Local Communities in-country or regional pilots to support their participation in the development of FIP investment strategies, programs and projects.”*⁷
11. At its 7th meeting in November 2011, the FIP Sub-Committee approved the DGM design overall program proposal as presented by a working group of IPLCs. It endorsed the fundamental principle of this mechanism that IPLCs take the lead in designing the program according to their needs and requested Multilateral Development Banks (MDBs) and the representatives of the IPLCs to develop further the project/program proposals required for approval of FIP funding and operationalization of the grant mechanism. It also endorsed a structure of the original DGM global learning and knowledge exchange project (referred in this document as phase one DGM Global project) and individual projects (referred in this document as DGM Country Projects) in each DGM pilot country, as well as a two-tiered governance structure of IPLC-led global and National Steering Committees.
12. The World Bank implements the first phase of the DGM Program and the Global Learning and Knowledge Exchange project and continues its support through the second phase of the DGM Program as described in this document. The World Bank was requested by IPLCs to continue being the implementing MDB of the Program in all DGM countries.
13. The overall DGM Program document builds on FIP Sub-Committee decisions and the foundational design of the first phase of the DGM Global project while underscoring the complementarity with the FIP and the DGM country projects. The first phase of the DGM Global project started its implementation in early 2015 to support the first set of DGM countries (Brazil, Indonesia, The Democratic Republic of Congo, Mexico, Ghana, Peru, and Burkina Faso). The first phase of the DGM Global project will close in December 2020.

⁷ The FIP design document could be accessed here: http://siteresources.worldbank.org/INTCC/Resources/Final_Design_Document_July_7.pdf

14. As these projects will continue to be implemented over the next few years and a new set projects have been or are expected to be approved by December 2020, the proposed phase two DGM Global project is intended to support both the first set of DGM countries and new DGM countries (Cote d'Ivoire, Guatemala, Mozambique, Nepal, and the Republic of Congo). Given the limited resource envelope for the second phase of the DGM Program, the scale of the issues and the geographies it is targeting. The second phase will continue working with the Conservation International that implemented the first phase of the DGM program as the Global Executing Agency (GEA). The rationale is that the current GEA has designed robust governance and fund management system, which allows the DGM Global to grow and sustain project activities from the first phase and transition to the second phase. Given the intensive efforts and resources invested in establishing the governance structures, it would be a missed opportunity for the mechanism to undergo through multiple changes in implementing arrangements, as substantive efforts have already been made by the Global Project through the GEA to serve as a platform and continue engagement with IPLCs in the DGM country projects.
15. 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 builds on established procedures, modalities, and the DGM governance structure. However, during phase one of the DGM Global project implementation stage, it was acknowledged by both the GEA and the World Bank that project development objective, components, indicators, and targets were originally inadequately designed. Based on multiple discussions with GEA and GSC, **the design of phase 2 of the DGM Global project addressed all lessons learned from the first phase, particularly it improved the clarity of the Project Development Objective (PDO), strengthened project components, set clear indicators and respective targets.** Moreover, experience from the first phase of the DGM Global project showed that the budget allocation for each component and sub-component were not realistic and were revised during implementation. The phase 2 project has incorporated those budget-related lessons, which were discussed with the GEA and approved by the World Bank. Additionally, as per request by the GSC and respective IPLCs, new activities have been added (i.e. global exchanges, fellow exchanges). Other lessons from the phase 1 project included a call for a reduction of annual and semi-annual reports produced by the GEA, the frequency of meetings to be reduced to those of strategic relevance, as well as to lift restrictions that have been placed for GEA staff travels to improve project efficiency. All these lessons from the first phase are reflected in the design of phase 2 of the DGM Global project and addressed in this document.
16. Additionally, the CIF Evaluation and Learning initiative conducted an independent learning review of the DGM program (including Phase 1 of the DGM Global Project and Country Projects). The learning review was undertaken independently by ITAD Consulting which identified that global, regional and national initiatives led by IPLCs such as the DGM are 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 strengthen 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.

17. Highlights from DGM Learning Review also include the following lessons learned about the DGM:

- a. DGM is leading to broader and potentially more transformational effects than predicted at its inception.
- b. DGM is contributing to better substantive outcomes, such as improved governance, higher recognition, increased efficiency, improved land rights, better natural resource management, and income generation.
- c. DGM is contributing to improved enabling outcomes, such as better ownership and trust, transparent governance.
- d. The outcomes for other stakeholders include an improved relationship with IPLCs, and IPLCs being more accepting of REDD+ and the FIP.

18. The review identified two pathways:

- The cumulative contribution of subprojects.
- Empowerment to raise issues from national to global levels.

19. The DGM Learning Review also highlights that the DGM has reached a crucial juncture, where new funding is needed. Country DGMs have demonstrated a keen interest in sourcing their funding, but any breaks in funding also represent a challenge for maintaining the motivation and trust that are critical for the DGM to continue to operate successfully.

C. Higher Level Objectives to which the Project Contributes

20. The project will contribute to a greater voice and role for IPLCs, which would make REDD+ more effective in achieving its goals. That conservation *and* livelihood objectives can be achieved in forests under Indigenous or community management has been known and promoted for decades, and reaffirmed with more analyses.⁸ While community participation at the project level is relatively prevalent in forestry programs, it needs to be strengthened significantly at strategic and policy levels.

21. This project will also support the facilitation of a better understanding and appreciation of Indigenous and traditional knowledge of biodiversity, forest management, and agroforestry, which have an essential role in the development of robust climate resilience strategies. Additionally, the project will continue strengthening IPLCs capacity to play an informed and active role in national REDD+, FIP, PROGREEN, FCPF, GCF and other relevant programs, as well as on recognizing and supporting their tenure rights, forest stewardship roles, and traditional forest management systems.

22. The project aligns with the World Bank Group (WBG) twin goals of shared prosperity and extreme poverty reduction. The proposed program is entirely in line with the twin goals of ending extreme poverty and boosting shared prosperity for IPLCs. Up to 350 million people, about half of whom are indigenous, live within or close to dense forests and depend almost entirely on forests for subsistence.⁹ A 2014 World Bank report on Indigenous Peoples, Poverty, and Development estimated that the Indigenous Poverty Headcount (the percentage of a population living below the poverty line) is much larger than for the non-indigenous population, and the poverty gap (the distance from the poverty line) is far larger than the national average. This means that not only are there *more* Indigenous Peoples than non-indigenous classified as poor but that their poverty is also more severe. This manifests in various ways, including insecure land and property rights, discrimination, heightened vulnerability to risk and climate change, and a wide range of health, education, and other related socio-economic disparities. Additionally, forests are an essential aspect of rural livelihoods. The recently completed Poverty and Environment Network (PEN)¹⁰ survey documented that rural households

⁸ Nelson A, Chomitz KM. (2011). Effectiveness of Strict vs. Multiple Use Protected Areas in Reducing Tropical Forest Fires: A Global Analysis Using Matching Methods. PLoS ONE 6(8): e22722; and

⁹ World Bank. (2016). Why forests are key to climate, water, health, and livelihoods

¹⁰ The PEN survey covers about 8,000 households in 24 countries across Sub-Saharan Africa, South and East Asia, and Latin America, and is representative of smallholder-dominated communities living close to forests (with access to forest resources).

living near forested areas derive 22 percent of their income from forest sources. Forest resources enable people to rise out of extreme poverty and reduce vulnerability, particularly for IPLCs.

23. The phase two DGM Global project supports the World Bank's Forest Action Plan (FAP).¹¹ The project supports the primary interventions of the FAP's Focus Area 1 on Sustainable Forestry through learning and knowledge exchanges of good practices for "protecting and optimizing the use of forest, both natural and planted, to sustain livelihoods, create jobs and economic opportunities in rural areas while preserving ecosystem services delivered by forests," as well as the cross-cutting themes of rights, participation, institutions and governance, climate change, and resilience. The project's strategic involvement in supporting IPLCs will strengthen the foundations for positive forest outcomes while improving living conditions and diversifying livelihoods among IPLCs.
24. 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).
25. The project is also in full alignment with the World Bank PROGREEN program, the Global Partnership for Sustainable and Resilient Landscapes, which aims to support countries' efforts to improve livelihoods while tackling declining biodiversity, loss of forests, deteriorating land fertility and increasing risks such as uncontrolled forest fires, which are exacerbated by a changing climate. Particularly with Pillar 1 on the increase in the area of land under integrated management to improve livelihoods, support economic development, and maintain and restore ecosystem services. As well as the Cross-cutting themes to all three pillars on engaging communities and vulnerable groups, addressing climate change mitigation and resilience needs, and leveraging and mobilizing finance for development.
26. The project is also in alignment with the adoption of international instruments and mechanisms, such as the *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP) in 2007, the *American Declaration on the Rights of Indigenous Peoples* in 2016, 23 ratifications of the Indigenous and Tribal Peoples Convention

¹¹ World Bank, *Forest Action Plan (FY16-FY20)*. Retrieved from <http://documents.worldbank.org/curated/en/240231467291388831/Forest-action-plan-FY16-20>

from 1991, the establishment of the *United Nations Permanent Forum on Indigenous Issues* (UNPFII), the *Expert Mechanism on the Rights of Indigenous Peoples* (EMRIP), and the *UN Special Rapporteur on the Rights of Indigenous Peoples* (UNSR).

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

The Project Development Objective is to strengthen networks and partnerships for DGM Indigenous Peoples and Local Communities (IPLCs) at regional and global levels.

B. Project Beneficiaries

27. 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, Democratic Republic of Congo, 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 IPLCs.
28. It is important to note that IPLCs are more than solely “beneficiaries” of the program. At the country level, IPLCs design and implement their respective DGM Country Projects, and at the global level, IPLCs chair and overlook the governance of the DGM program as a whole. The approach of the Phase 2 DGM Global project is to partner with the intended beneficiaries and key stakeholders throughout the design, and implementation, which is a key feature that addresses challenges usually associated with poor participation and consultation in-country projects. The strong role of IPLCs in Phase 2 of the DGM Global at global and country levels provides an unprecedented opportunity to ensure that the DGM meets the needs of the key stakeholders and minimizes the risk associated with Country Project design and implementation. The DGM recognizes that there are essential socio-cultural and economic differences between IPs and LCs, which must be respected during implementation while ensuring at the country level that the program is inclusive and reaches out to vulnerable communities – both Indigenous and non-Indigenous.
29. The reference to IPs in the Program is based on the World Bank’s Environmental and Social Standard ESS7. In ESS7, the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” (or as they may be referred to in the national context using an alternative terminology) is used in a generic sense to refer exclusively to a distinct social and cultural group possessing the following characteristics in varying degrees:
 - a. Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others; and
 - b. Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas; and
 - c. Customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture; and

- d. A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.
30. Local communities generally represent the dominant culture and usually share their social traits, values, norms, and languages. They often lack political voice and are marginalized, living in remote locations with limited access to economic opportunity and development. For these reasons, the DGM Global project will organize and facilitate knowledge exchanges, learning, and provide capacity building activities for local communities as well as Indigenous Peoples that are part of the DGM program.

C. PDO-Level Results Indicators

PDO Indicator 1: Joint activities and/or alliances under IPLC leadership at regional and/or global level that emerged through the global platform (number) (partnerships and networks)

PDO Indicator 2: GSC providing fiduciary and general oversight to the DGM program (Yes/No)

III. PROJECT DESCRIPTION

A. Project Components

31. **Component 1: Global and Regional Learning (US\$609,709)**. The focus of this component is to organize and facilitate knowledge exchange, learning, and capacity building on forests and climate change issues at regional and global levels. A detailed description of this component could be found in Appendix A. Activities under this component have a global or regional scope and include:
32. **Sub-Component 1.1. DGM Learning Exchanges (US\$430,537)**: organizing global capacity building and learning exchanges to learn from the successful implementation of Community-led DGM Projects and other relevant experiences. Global learning exchanges are organized to facilitate participants' learning from technical experts and successful Indigenous Peoples' and local community-led DGM country projects, for example, on benefit-sharing, land tenure, sustainable agroforestry, community enterprises, participation in international climate policy, climate-smart agriculture and other issues identified by beneficiaries and the Global Steering Committee (GSC). Exchanges seek to strengthen capacities of regional or global IPLC organizations and networks and facilitate their participation in climate change negotiations, including training on international negotiations and relevant international policy dialogues and processes. Activities also include the development of culturally appropriate knowledge resources for use by IPLCs globally that are distributed during exchanges.
33. **Sub-Component 1.2. DGM Fellow Exchanges (US\$179,173)**: organizing a series of bilateral short-term targeted exchanges to DGM Country Projects to share IPLC expertise and experiences between DGM countries and across regions. Fellow exchanges will provide DGM beneficiaries with the opportunity to participate in two-week-long learning exchanges to other DGM countries, with the goal of shared learning and knowledge exchange and the local adaptation of best practices in DGM

project implementation. This provides a horizontal learning experience where IPLCs learn from one another.

34. **Component 2: Governance and Partnerships (US\$800,701)**. This component helps enable the GSC to fulfill its role within the DGM in addition to strengthening IPLC networks and organizations in global forums. Given the wide range of the GSC's functions, a significant portion of DGM Global activities is devoted to providing the necessary resources and support to the GSC as outlined below. A detailed description of this component could be found in Appendix A.
35. **Sub-Component 2.1. Secretariat of the Global Steering Committee (US\$512,310)**: providing the necessary secretariat services to the GSC meetings, GSC Subcommittees, and Co-chairs. Facilitating GSC meetings and enabling the GSC to fulfill its role as the overall governing body of the DGM to provide fiduciary and general oversight to the program. DGM Global activities include the logistical coordination and support to annual GSC meetings, the preparation of the communications plan, and relevant documents such as DGM Global budget, Grievance Redress Mechanism (GRM), and workplan as well as the facilitation of the GSC election process.
36. **Sub-Component 2.2. Managing IPLC partnerships and networks (US\$288,391)**: facilitating the engagements of GSC members with other IPLC partners at relevant international policy dialogues, forums, and processes including but not limited to (i) UNFCCC, (ii) UNPFII, (iii) International Indigenous Peoples Forum on Climate Change (IIPFCC), (iv) FCPF. The GEA will provide necessary logistical and technical support on the GSC's participation in these various events, including the provision of technical resources and travel coordination.
37. **Component 3: Monitoring, Reporting, GRM, and Communications (US\$643,007)**. This component covers the costs for implementation of DGM Global communications, robust monitoring, and reporting (M&R), and an efficient project-related Grievance and Redress Mechanism (GRM). A detailed description of this component could be found in Appendix A.
38. **Sub-Component 3.1. Monitoring and Reporting of the DGM Global Project (US\$397,830)**: conduct monitoring and reporting on the results and overall performance of the global project, and compile and report the results of Country Projects. The activities under this sub-component are not a substitute for the monitoring and reporting that DGM projects in the countries will carry out as per Bank requirements for all investment projects. GEA will coordinate actively with National Executing Agencies (NEAs) in DGM countries to monitor and document the overall implementation progress of the DGM. The NEAs will provide information to the GEA through these standard formats for a DGM-wide compilation of progress reports. The GEA will provide advice and coordination to NEAs to ensure that information from national-level monitoring efforts flows effectively to reporting on progress toward achieving global indicators. The GEA will submit a DGM Annual report, and a DGM semi-annual progress report.
39. **Sub-Component 3.2. Grievance and Redress Mechanism of the DGM Global Project (US\$17,621)**: maintain and facilitate the functioning of a DGM Global grievance redress mechanism for matters that are not resolved at the country level and are escalated to the GSC. GEA works with the GRM

subcommittee to ensure that the GRM is active and responsive to complaints and grievances that may advance to the GSC for resolution through EthicsPoint, a third-party system for grievance reporting.

40. **Sub-Component 3.3. Communication and knowledge management of the DGM Global Project (US\$227,557):** liaise, collaborate, and coordinate actively with the NEAs and Global Communications Team (GCT) to conduct communications and outreach activities, including the dissemination of culturally appropriate and inclusive information across DGM communication channels. Ensure the sufficient flow of information and broad availability and accessibility of the DGM results and impacts, both nationally and globally. This includes the procurement of goods and services such as translation, interpretation, and graphic design for the preparation and delivery of reports and knowledge products.
41. **Component 4: Management of the DGM Global Executing Agency (\$246,582):** This component covers the incremental operational, technical, and managerial costs of the GEA team to carry out its tasks and overall responsibilities required to support the management of project activities. The project will finance administrative staff costs for the GEA. A detailed description of this component could be found in Appendix A. Expected outputs include supporting the project management, strategic planning, and administrative coordination required to ensure the successful implementation of the DGM Global project.
42. **Participatory and inclusive stakeholder approach.** DGM Global is implemented, under the leadership and guidance of a GSC, by the WB in partnership with a GEA. In 2011, FIP allocated funding to eight DGM countries. In 2015, after the FIP Subcommittee approved the proposal for allocating resources to six new FIP pilot countries and the national and global projects of the DGM, the GSC endorsed the decision to allocate new FIP funding for the Phase two of the DGM Global during the DGM GSC meeting in Bali, Indonesia in July 2015.
43. Up to now, with the approval and endorsement of the WB and GSC, the Global Project has accommodated the inclusion, support, and participation of the additional six countries with the current DGM Global project. This includes learning exchanges, strategic events, global governance of the DGM, responding to requests for support in the formation of their NSCs, the selection of their NEAs, and the design of standard monitoring, reporting, and communications components.
44. 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 Reports.
45. **Transparent implementation arrangements and procedures.** The project will ensure a transparent and simplified implementation arrangement through open data access on the DGM website. The GEA will conduct periodic progress reports on Global and Country Project performance on a biannual basis, including procurement and financial reporting. The project will

rely on streamlined and flexible procedures for monitoring & reporting (M&R), communication, and outreach strategies.

B. Project Cost and Financing

The proposed operation is an Investment Project Financing, supported by a grant from the Strategic Climate Fund in the amount of US\$2.3 million and structured as detailed below.

Project Components	Project cost	Trust Funds	Counterpart Funding
Component 1	\$609,709	\$609,709	0
Component 2	\$800,701	\$800,701	0
Component 3	\$643,007	\$643,007	0
Component 4	\$246,582	\$246,582	0
Total Costs			
Total Project Costs	2.3 million		
Total Financing Required	2.3 million		

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

47. **The DGM program has a global/regional and national approach.** This project will support the global and regional activities of the DGM program. The national approach is supported by its national DGM. The below section outlines the governance structure and relation between global and country projects:

- a. **Global Project (current project)** for exchange of knowledge and building of networks and partnerships among IPLC organizations in DGM countries and elsewhere; and
- b. **Country projects** in most of the FIP countries (Brazil, Burkina Faso, Côte d'Ivoire, Democratic Republic of Congo, Ghana, Indonesia, Mexico, Mozambique, Republic of Congo, Guatemala, Nepal, and Peru) to support on-the-ground activities and capacity-building.

48. The **Global Steering Committee** (GSC) will oversee the Global Learning and Knowledge Exchange Project, as well as provide intellectual and policy leadership to the DGM and monitor overall implementation.

49. **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 NSC. The GSC approves the annual work program to be implemented by the 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+.

50. **Executing Agencies in-country projects.** In each DGM pilot country, a **National Executing Agency (NEA)** will be the secretariat for the NSC. The NEA will maintain documentation of the DGM country projects, follow the communications strategy in coordination with the GEA, manage grievance and complaints redress processes, respond promptly to queries, and coordinate with and send information as requested to the GEA.
51. **The GEA** will provide secretariat functions for the GSC. To do so, it 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 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.
52. GEA will also facilitate a grievance redress and complaints mechanism on behalf of the GSC. The GEA is selected through a competitive process administered by the World Bank. 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.

Stakeholder	Roles and Responsibilities
Project beneficiaries	<ul style="list-style-type: none"> Update and provide raw data (e.g., number of beneficiaries); report to the NEA Draft results from stories and submit to NEA
NEA	<ul style="list-style-type: none"> Collect, update and aggregate raw data on subprojects and activities for capacity development with the inputs from grantees, and report them to the NSC, World Bank team and GEA semi-annually Help grantees draft "result stories" presented to the global platform organized by the GEA Assess if subprojects funded by DGM achieved their objectives Provide technical support to grantees for defining, measuring, and presenting the results, assuring the data quality and review of the drafted results stories
NSC	<ul style="list-style-type: none"> Review progress of all subprojects/activities against indicators with the inputs from the NEA Discuss lessons learned to apply them to the design and implementation of

	future projects
GEA	<ul style="list-style-type: none"> • Collect, update, and aggregate, raw data on the Global Project (e.g. number of results stories) and report them back to the GSC and World Bank. • Compile and aggregate data submitted by the NEAs of the Country Projects and data collected on the Global Project and report them to the GSC and the World Bank semi-annually
GSC	<ul style="list-style-type: none"> • Review progresses of DGM funded subprojects and activities against indicators based on the inputs from the GEA • Discuss the lessons learned to apply them to the design and implementation of future projects
WB country DGM Team	<ul style="list-style-type: none"> • Provide technical support to the NEA for defining, measuring and reporting the results, assuring the data quality; review the drafted results stories • Review the evaluation of subprojects made by the NEA
WB Global DGM Team	<ul style="list-style-type: none"> • Provide technical support to GEA for defining, measuring and reporting the results;

B. Results Monitoring and Evaluation

53. Monitoring, Learning, Evaluation and Reporting (M, L, E&R) are part of DGM's core activities both at the Global Project and Country Project levels. They are tools for bringing together diverse stakeholders toward the common development objective of the DGM Program while addressing significant risks during program implementation and ensuring both upward and downward accountability.
54. The GEA has vast experience in collecting data, monitoring, and reporting, including coordinating the compilation and aggregation of DGM country data. During Global Exchanges, the GEA will compile country data from participating NEAs for reporting purposes.
55. During Phase 1 of the DGM Global project, the Global Steering Committee approved the redesign of the Global Project results framework during the annual GSC meeting in April 2018. Between April and July 2018, the GEA redesigned the project's results framework, which streamlined the collection and reporting of data and prompted the development of an annual perception survey administered online through Survey Monkey. Subsequently, the Global Steering Committee approved the updated targets during the GSC meeting in May 2019. All these changes are reflected and incorporated in the proposed DGM Global Phase 2 project.
56. The GEA will provide the support needed to DGM Country Projects to ensure vital learning and transparency in the project, as well as to ensure dissemination of project results to the Global Steering Committee. The GEA will monitor and evaluate the progress of the Global Project, and report on both Global Project and Country Project activities on a semiannual basis through the development of a Semiannual Progress report. This report will be submitted to the World Bank and the Global Steering Committee 60 days after the end of the reporting semesters— ending June 30 and December 31. An annual report on the DGM will be submitted to the World Bank 90 days after the end of each Fiscal Year.

57. The information in the semiannual progress related to the country projects will be compiled from information provided by the NEAs. These reports will include descriptions of DGM Country activities, progress, lessons and results, details of the portfolio in the countries and the activities of the Global Project, status of implementation, funding allocations for the previous period, and other pertinent information.
58. The project will work closely with NEAs to report on project results. The GEA will actively coordinate with the NEA to develop a reporting framework on the project's implementation in order to monitor and document overall implementation progress; it will be consolidated with other national DGM projects and presented in a DGM-wide compilation of progress reports. The Global DGM project will also provide advice and coordination with other NEAs in DGM countries to ensure that information from national-level monitoring efforts on progress toward achieving global indicators flows effectively to reporting mechanisms.
59. Among others, NEAs of each DGM country and the GEA play pivotal roles in collecting, updating, and aggregating data. In order for NEAs and the GEA to fulfill such critical roles with sufficient capacity and resources, WB country teams in each DGM country and WB Global DGM Team will provide them with technical support and review the data for quality assurance.
60. The progress and success of the project will be measured against the results (performance) indicators, as shown in the results framework attached below (Section VII). M&E activities will help collect, analyze, and present data on progress towards achieving the project's objectives.
61. The project Results Framework includes a set of indicators, their respective units of measurement, baselines, annual targets, and data collection methodologies. The GEA is responsible for data collection and reporting. Data will be collected semiannually to monitor progress towards the achievement of results. An annual implementation review mission will be carried out by the WB to help assess the progress that has been made with respect to the main PDO indicators and to verify that individual components have attained their goals.
62. In order to measure progress toward achieving the PDO, the project has two PDO indicators (see the project Results Framework in Section VII). These indicators include aspects designed to enhance knowledge exchange across countries and regions and strengthen the capacity and alliances of IPLCs. PDO Indicator 1 monitors the activities and alliances that have emerged through the DGM Global platform and PDO indicator 2 monitors the GSC's provision of fiduciary and general oversight to the DGM program. Additionally, a set of intermediate indicators for each project component has been developed to track results critical to measuring project progress during implementation.

C. Sustainability

63. The available resource envelope for the DGM Program is limited given the scale of the issues and the geographies it is targeting. Yet, the DGM Program's potential is recognized by the main stakeholders and the current design with 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 efforts and resources invested in establishing the governance structures, it would be a missed opportunity for the mechanism to be a short-lived phenomenon. Substantive efforts have already been made by the Global Project to serve as a platform to reach out to new partners and indicate their interest in outreach efforts. For example, links with the World Bank PROGREEN program and the GEF together with CI are being explored as possible areas for future support. Additionally, the current project will carry out external outreach on the program and fundraising opportunities to organizations such as UNPFII, UNREDD, GEF, IFAD, FCPF, global and regional IPLC organizations, and other organizations and donors working on, influencing or funding REDD+ and other climate mitigation and adaptation mechanisms. Importantly, this project will explore ways to sustain and scale country-level DGMs through technical and necessary logistical support to ensure that IPLCs can lead fundraising efforts on their own and continue the DGM after the funding ends and scale up their activities.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

64. **The overall risk of the project is considered Moderate.** An explanation of the most relevant risks and proposed mitigation measures are detailed below.
65. **Fiduciary – Moderate:** This project requires coordination, travel, and services provided to the GSC and learning events for achieving the grant objectives. Conservation International (CI) has identified experienced staff to carry out such activities. Some of the same identified staff will also be working on other initiatives of the CI grant implementing agency. Similarly, the CI staff will also be traveling for implementing and attending learning events, workshops, and trainings. Therefore, there is a risk for accurately recording and documenting the portion that is related to the World Bank grant activities, mainly when activities are funded from the estimated budget of the project. The mitigation measures that are recommended and in place to mitigate such risks are i) timesheets for the work of the grant, and such records are made available to the World Bank for post review; ii) travel of project staff will be included in annual workplan for World Bank no-objection in preparation of GSC meeting for maintaining transparency, economy & efficiency of the project; iii) periodic financial reports will be supported with a brief progress report for activities that have taken place during the reporting period; and, iv) preparation of annual budget for activities that are planned for each fiscal year of the active project period will be concurred and preapproved by the World Bank prior to any other clearance the project requires. With mitigation measures in place overall project risk related to the implementation has been assessed as **Moderate**. A minimum of

one fiduciary supervision visits will be undertaken each fiscal year of the project period, and the risk rating will be revisited and reassessed.

66. **Project Implementation – Moderate:** This project includes global activities requiring international travel to learning exchanges and international meetings (Component 1 and Component 2). Due to the COVID-19 pandemic, many global events and conferences are being cancelled, postponed and/or adapted to a virtual setting. Conservation International (CI) is following the guidance from the Center for Disease Control and Prevention (CDC), the World Health Organization (WHO) planning recommendations for Mass Gatherings and CI’s COVID-19 safety and security guidance which includes specific guidelines on how to engage IPLCs during and after the lockdowns. If necessary, planning for DGM Global Learning exchanges will also complete CI’s COVID-19 risk screening checklist and justification, which will be conducted in coordination with participants to inform their decision, before confirming the event. In the case where DGM Global activities requiring international travel cannot be conducted, the GEA will work with the GSC and WB to adapt needed activities through virtual settings to meet the project development objective. The GEA will keep WB project TTL informed and document all preventive actions on this issue.

VI. APPRAISAL SUMMARY

Note to Task Teams: Please provide a summary description of the main economic benefits and costs of the project, and a summary of the key FM, procurement and safeguard issues.

A. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

B. Environmental and Social

68. **Environmental and Social Risk Classification (ESRC) for Phase 2 of the DGM Global project is low. Environmental as well as social risks were rated low.** The project’s specific activities are not expected 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.
69. **An environmental and social (E&S) screening did not identify any potential risks and/or impacts based on** the initial information collected from (i) scope of activities described in the AIS/concept note, (ii) previous risks identified in the original DGM project - FIP Grant Mechanism for Indigenous Peoples & Local Communities (P128748), and (iii) experience of the GEA complying and with environmental and social

guidelines and policies.

70. **In 2015, CI has been selected through a competitive WB process as the implementing agency (GEA) for the Phase 1 Global DGM project.** The DGM Program administrative organization and structure revolve around two levels - the Global and the Country-based. At the Global level, there is the FIP-Committee, Global Steering Committee (GSC), and Global Executing Agency (GEA). The GEA is CI, which was selected by the World Bank through a competitive process and will implement activities of the Phase 2 of the DGM Global project in compliance with the World Bank's ESF. The GEA has previous good experience working with World Bank safeguards policies. Specific capacity building on ESF will be further evaluated by the World Bank and, if needed, provided to the GEA before the appraisal.
71. **A Programmatic Environmental and Social Management Framework (ESMF) was designed at the DGM Program level to be used as the operating safeguards umbrella for each DGM country project to provide overarching principles and guidance in line with World Bank's safeguard policies.** Since the ESMF is focused on the country-level projects that are likely to generate negative environmental and social impacts – which is not the case for the activities being financed under this Trust Fund - this project will not require an update of the program ESMF. The Bank will nevertheless provide support to the GEA to comply with the commitments based on the relevant Environmental and Social Standards of the WB Environmental and Social Framework (ESF).
72. **CI will prepare instruments such as a Labor Management Procedures and Stakeholder Engagement Plan, including a Stakeholder Engagement protocol to engage IPLCs.** The mentioned protocol will detail selecting criteria for IPLC to participate in the supported workshops and guidelines to ensure that these workshops are organized in an inclusive and culturally appropriate manner. The Labor-Management Procedures (LMP) will set out the terms and conditions of employment, principles regarding non-discrimination and equality of opportunity, guidance on workers' organizations, policies on child and forced labor, measures for occupational health and safety; and, the establishment of a grievance mechanism for labor disputes. The LMP will include measures for addressing GBV/SEA risks, such as a Code of Conduct for CI staff, contractors, and for recipients of the fellowships supported under the project. This Code of Conduct will be included in the agreements and documentation part of the fellowship. The Stakeholder Engagement Plan will also include detailed communication strategies to reach out and engage with IPLCs to ensure inclusive participation in the planned learning exchanges, fellowships, and other plan activities. The project environmental and social instruments will be consulted through the Global Steering Committee, which is the representative body at the global level of country-level DGM participants.

C. Procurement

73. The Project will be executed in accordance with the World Bank's Procurement Regulations for Borrowers under Investment Policy Financing (July 2016, revised August 2018) ("Procurement Regulations"), and the provisions stipulated in the approved Procurement Plan for the first year of the Phase 2 program, and the provisions specified in the Legal Agreement.
74. Procurement activities will be carried out by CI through its DGM Global Executing Agency office located in Washington, DC. This agency already implemented Phase 1 for the DGM Program and Global Learning and

Knowledge Exchange Project (P128748) from December 2018 to December 2020. The project implementing agency will be responsible for all procurement and contracting related queries and processing, including management and compliance with fiduciary requirements. DGM Global Executing Agency is staffed with a procurement specialist and has managed several projects financed by the World Bank for more than ten years. Nevertheless, the DGM GEA has limited experience with World Bank procurement regulations. As this project will be composed of non-complex consulting services and small goods contracts, the procurement risk is considered moderate.

75. As per the requirement of the Bank's Procurement Regulations, a Project Procurement Strategy Development (PPSD) has been developed by DGM GEA with support from the World Bank task team. The DGM GEA has prepared an acceptable procurement plan for the duration of the project.

D. Financial Management

76. A financial management capacity assessment of CI has been conducted in conformity with the Financial Management Practice Manual for WB-Financed Investment Operations that became effective on December 11, 2014. The objective of the assessment was to reconfirm that CI has acceptable financial management arrangements in place that will ensure that: (i) funds are used exclusively for the intended purposes applying efficiency and economy; (ii) accurate and timely periodic financial reports are prepared, and (iii) assets are safeguarded.
77. **FM capacity assessment** conducted in August 2019 revealed that CI had made acceptable FM arrangements including having professional staffing and tools in place to manage the additional financing of the DGM operation. The FM team is headed by a qualified and experienced Finance Director and assisted by a Sr. Finance Manager and controlled by a Senior Director for Grants for reviews and clearance/submission of IFR's. The FM team needs a refresher clinic on World Bank FM procedures and requirements as several changes have taken place since the launch of the DGM program by the World Bank. CI is currently managing the phase one of the DGM Global program and has knowledge in implementing the grant and has acceptable FM procedures in place, including the manual and accounting software Business World (formerly known as Agresso). Financial statements of donor-financed projects are regularly audited by reputable auditing firms that are acceptable to the World Bank. Auditors issued a clean opinion (unqualified) in 2016, 2017, and 2018 annual accounts of projects implemented by CI.
78. **Financial Management arrangements** for the project that satisfies World Bank minimum requirements under the World Bank Policy and Investment Project Financing (IPF) Directives. Based on the observations of the assessment, the following actions are required to ensure effective FM systems: (i) prepare the detailed budgets in line with grant agreed activities; (ii) open a Segregated Designated Account (DA) in Dollars in an eligible commercial bank in the USA that can receive funds from the World Bank; (iii) configure/customize the accounting software Business World to allow the recording of project transactions and preparation of financial reports; (iv) draft a short note as an annex to the existing entities FM Manual to reflect the Bank's FM procedures and requirements and (v) prepare annual budget for each fiscal year of implementation. These actions are to be completed in a timely manner to help implement the project: Actions (i) to (iv) are dated covenants and should be implemented not later than two months after the

project goes into effect.

79. **Reporting:** In terms of reporting, it is expected for CI to prepare and submit (i) an annual work program and budget (AWPB) to be submitted not later than April 30 of the year preceding the year when the work plan should be implemented; (ii) a biannual unaudited interim financial report (IFR) within 60 days following the end of each six month period along with a substantive brief progress report; and (iii) project audited annual financial statements and management letters not later than six months following the end of each fiscal year.
80. **Disbursements:** Upon TF (Grant) effectiveness, the project will request a six-month forecast that is required for the forecasted period. The project will finance 100 percent of eligible expenditures inclusive of taxes. A Segregated Designated Account (DA) in Dollars will be opened in a commercial bank [Bank of America/730 15th Street NW, Washington DC 20005] under terms and conditions acceptable to the WB. The ceiling of the DA will be stated in the Disbursement and Financial Information Letter (DFIL) and will represent four to six months of forecasted project expenditures expected to be paid from the DA during each project period and based on the AWPB of the project. An initial advance up to the ceiling of the DA will be made, and subsequent disbursements will be made against submission of the unaudited IFR on the use of the initial/previous advance. Other methods of disbursing the funds, such as reimbursement, will also be available to the project. As activities are anticipated to start prior to counter signature, a maximum of \$ 232,400 will be allowed under the retroactive clause if required. The project authorized signatory will sign and submit Withdrawal Applications electronically using the eSignatures module accessible from the World Bank Client Connection website. Misappropriated activities could result in the suspension of financing grant activities.
81. **Supervision.** Based on the current risk assessment, which is moderate, at least one full FM supervision mission is planned over the first year of the project implementation.
82. **Audit Compliance.** CI will fully comply with the World Bank disclosure policy of audit reports and place the information provided on the official website within two months of the report being accepted as final by the team and by the Bank (for additional information refer to Appendix D).

E. Economic Analysis

83. 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 Global Project.
84. One of the commonly applied approaches to assess the efficiency of these 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 – umbrella or chapeau knowledge platform, intended to provide capacity building, technical assistance to the set of DGM country projects, and facilitate or manage knowledge exchange among beneficiaries. This analysis demonstrated that composition and the overall cost of Phase 1 of the DGM Global project and Phase 2 of the DGM Global

project are compatible with other projects of this kind (refer to Appendix C).

85. Direct and indirect benefits of this project are difficult to measure in economic terms. However, the anticipated impact of the knowledge shared and received by the beneficiaries is immense. A limited list of the DGM outcomes includes broader and potentially more transformational effects/impacts than earlier predicted; substantive outcomes include better governance, higher recognition, increased efficiency, improved land rights, better natural resource management, and income generation; enabling outcomes include more ownership and trust, and transparent governance. The outcomes for other stakeholders include an improved relationship with IPLCs, and IPLCs being more accepting of REDD+ and the FIP.
86. While it is not possible to assess the direct benefits associated with this project, some assumptions can be made based on the relevant studies. For example, assessment of the benefits derived as a result of the knowledge acquired on improved forest management, secured tenure, non-timber forest product (NTFP) value chain, etc. There are various impacts that could be assumed as a result of the knowledge exchange process, one of them is an indirect impact as a result of the gained knowledge on sustaining secure community forest tenure.
87. Benefit-costs analyses carried out by the World Resources Institute in 2015¹² of Brazil's Indigenous Territories and the community concessions in Guatemala's Maya Biosphere Reserve suggest that securing community forest tenure is a low-cost, high-benefit investment that benefits communities, countries, and global society. The results of the analyses propose that investing in strong community forest tenure security can be a cost-effective measure for climate-change mitigation when compared with other mitigation measures.
88. Public financing is justified for this project because it will contribute to the social and economic empowerment of IPLCs, enhancing their rights to land and addressing tenure issues, participatory land governance, and, thus, the sustainability of land use. In addition, this project serves as an umbrella for a large number of DGM country projects, which was established to coordinate their implementation and provide learning and knowledge exchange to beneficiaries.

VII. World Bank Grievance Redress

89. Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel, which determines whether harm occurred or could occur as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank

¹² 2015. Erin Gray, Peter Veit, Juan-Carlos Altamirano, Helen Ding, Piotr Rozwalka, Iván Zúñiga, Matthew Witkin, Fernanda Gabriela Borger, Andrea Lucchesi, Paula Carvalho Pereda and Keyi Ando Ussami. The Economic Costs and Benefits of Securing Community Forest Tenure: Evidence From Brazil and Guatemala. WRI: Washington, D.C.
<https://www.wri.org/publication/economic-costs-and-benefits-securing-community-forest-tenure>

Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit [*http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service*](http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service). For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VII. RESULTS FRAMEWORK AND MONITORING

Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

Results Framework

COUNTRY : World

Phase 2 for DGM Program and Global Learning and Knowledge Exchange Project

Project Development Objectives

The Project Development Objective is to strengthen networks and partnerships for DGM Indigenous Peoples and Local Communities (IPLCs) at regional and global levels.

Project Development Objective Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: Joint activities and/or alliances under IPLC leadership at regional and/or global level that emerged through the global platform (number)		Number	0.00	15.00	Semiannual	Review of deliverables and monitoring report	GEA

Description: The indicator is related to the number of activities and/or alliances under IPLC leadership that emerged through the DGM global platform.

“activities and/or alliances” – Any association, whether momentary (activity) or persistent (alliance) which works jointly toward a common purpose in line with IPLC and/or DGM priorities



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
“IPLC leadership” - indigenous peoples and/or local communities in leadership roles							
“Global platform” – DGM Global activities such as global and fellow exchanges, DGM side events in relevant conferences and forums (e.g.: UNFCCC, SBSTA, IIPFCC etc.), and Global Steering Committee meetings.							
“emerged through the global platform” – was created at least partially as a result of the DGM Global project (e.g., stemming from a connection made between actors during an exchange)							
This will be measured by reviewing DGM deliverables and monitoring of activities. The GEA keeps a running list of activities and alliances, as defined above, that count toward this indicator.							
Name: GSC providing fiduciary and general oversight to the DGM program (Yes/No)		Text	-	Yes	Semiannual	Perception surveys conducted during annual GSC meetings	GEA
Description: This indicator will measure and monitor the Global Steering Committee’s provision of fiduciary and general oversight to the DGM program.							
"GSC": GSC is the governing body of the DGM and provides strategic oversight and intellectual and policy guidance to the program. It is composed of IPLC members drawn from the DGM National Steering Committees in DGM countries.							
“fiduciary and general oversight”: the GSC had oversight over DGM Global and mediates complaints and grievance issues if requested by the NSC. The GSC also approves the annual work program and budget to be implemented by DGM Global.							

Intermediate Results Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: Number of person-hours of capacity building and/or knowledge exchange in global exchanges (number)		Number	0.00	900.00	Semiannual	Review of exchange attendance sheet and agenda	GEA
<p>Description: “person-hours” – a metric of overall engagement with exchange participants calculated by adding the time spent by each participant in capacity-building and knowledge-sharing activities</p> <p>“capacity-building” – time spent developing relevant skills that can be used to enhance engagement in climate action and sustainable forestry</p> <p>“knowledge exchange” – time spent learning about key topics from exchange facilitators and other participants to enable more effective engagement in climate action and sustainable forestry</p> <p>“global exchanges” – events hosted by DGM Global, convening DGM stakeholders from different countries within a region or around the world, as opportunities for capacity building and knowledge exchange.</p> <p>Attendance sheets are used to track the number of participants at global knowledge exchanges hosted by DGM GEA. These are cross-referenced against the agenda for the day’s training to determine how many hours of capacity building and/or knowledge exchange took place on that day. The basic formula for calculating person-hours for each day is as follows:</p> <p># of participants * # of hours of capacity building and knowledge exchange = person-hours</p> <p>Members of the GEA team who were present for the exchange verify that participants were present for the whole day and that the agenda was followed.</p>							
Name: Percentage of satisfaction of exchange		Percentage	0.00	85.00	Annual	Review of quantitative and qualitative data resulting from an annual perception	GEA

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
participants (percent)						survey	
<p>Description: “exchange participants” – IPLC representative that attend a global learning exchange</p> <p>“report satisfaction” – a percentage of exchange participations that report satisfaction with exchange and capacity building opportunities on a satisfaction survey administered by GEA</p> <p>This indicator measures the satisfaction percentage with respect to the project’s exchanges and related capacity building.</p> <p>Satisfaction related to the percentage of whether exchanges are effective and meet the demand of exchange participants.</p> <p>Exchange participants are those that participated in Global exchanges. This is measured through a review of surveys by the GEA.</p>							
Name: Percentage of exchange participants in learning and knowledge exchange activities belonging to non-DGM countries (percent);		Percentage	0.00	20.00	Semiannual	Review of exchange attendance list	GEA
<p>Description: “participants in the learning and knowledge exchange activities” – collection of all participants (without double counting) in any of the global exchanges</p> <p>“non-DGM countries” – representing countries other than the 12 DGM countries</p> <p>The GEA has an updated list of exchange participants, including associated organizations and countries of origin. Using this list, the GEA will determine the numerator (the number of participants from non-DGM countries) and the denominator (total number of exchange participants) to calculate the percentage needed for this indicator.</p>							
Name: Percentage of women participants in Global and Regional		Percentage	0.00	50.00	Semiannual	Review of the fellowship recipient list and exchange attendance list	GEA

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Learning Exchanges (percent)							
<p>Description: This indicator captures the percentage of female recipients of Global Learning Fellowships and exchange attendees.</p> <p>This is measured through a review of the list of fellowship recipient and exchange attendees.</p>							
Name: Number of relevant international events for GSC members with other IPLC partners and networks (number)		Number	0.00	10.00	Annual	Based on event agendas and participation of GSC members	GEA
<p>Description: “GSC members” – previous and current Global Steering Committee members</p> <p>“relevant events” - national and international climate and IPLC related policy-making, such as in national governments and international climate policy fora (UNFCCC, IIPFCC, FCPC, etc.)</p> <p>“IPLC partners and networks” – any organizations, networks, and/or alliances that work with IPLCs on issues relevant to the DGM, such as climate change, sustainable forestry, land tenure, and many others</p> <p>GSC members are those that have been elected by National Steering Committee members. This is measured through a review of international event agendas and GSC member participation in such events.</p>							
Name: Percentage of GSC members that perceive DGM governance and processes as transparent and inclusive (percent)		Percentage	0.00	70.00	Annual	This data will be collected as part of an annual survey of GSC members during the annual GSC meeting.	GEA



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<p>“grievances” – Anything submitted through the grievance redress mechanisms of the DGM (generally, but not exclusively, questions, concerns, and complaints)</p> <p>“received by” – Grievances can be submitted directly to the DGM Global project in person or by telephone, email, or mail, as detailed at www.dgmglobal.org/grievance-mechanism</p> <p>“elevated to” – When a grievance received at the country level cannot be adequately addressed, it is elevated to the global level for consideration</p> <p>“addressed” – When a grievance has been through the established process of the project’s grievance redress mechanism, and any reasonable actions to resolve a grievance have been exercised, it is considered addressed.</p> <p>Any grievances received at or elevated to the global level will be listed on the DGM Global website, as well as any actions taken to address them. To calculate this percentage, the numerator is the number of grievances that have been classified by the GSC as “addressed” or “resolved” and the denominator is the total number of grievances received.</p>							
Name: Average monthly unique visitors to the DGM Global website (past 3 months)		Number	0.00	500.00	Semiannual	Squarespace metrics	GEA
<p>Description: “average” – arithmetic mean of values collected from the past three months</p> <p>“monthly unique visitors” – measures how many unique IP addresses visited the DGM Global website in a given calendar month</p> <p>“DGM Global website” - www.dgmglobal.org and/or other pages within the same domain</p> <p>The DGM Global website is built using Squarespace, which reports various metrics on website performance. The GEA will collect Squarespace’s data on unique visitors for each of the past three months and find the simple average of these values.</p> <p>Any grievances received at or elevated to the global level will be listed on the DGM Global website, as well as any actions taken to address them. To calculate this percentage, the numerator is the number of grievances that have been classified by the GSC as “addressed” or “resolved” and the denominator is the total number of grievances received.</p>							
Name: Publications and		Number	0.00	10.00	Semiannual	List of communications	GEA



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
communication materials/tools that advance the field of IPLC-led conservation (number)						products	
<p>Description: “publications” – blogs, website articles, and other communications products published on the DGM Global website (www.dgmglobal.org)</p> <p>“communication materials and tools” – factsheets, brochures, posters, and videos.</p> <p>This indicator monitors the number of communications products developed by the Global Executing Agency.</p>							
Name: Number of DGM reports produced (number)		Number	0.00	8.00	Semiannual	Review of emails to World Bank TTL report submission	GEA
<p>Description: “DGM Reports” – per the program document, the GEA is responsibel for producing and delivering two semiannual progress reports and one annual report to the World Bank per year. At the end of the project, a Project Completion Report is produced.</p> <p>These reports are produced and submitted on annual and semiannual basis and report on DGM country and global project progress.</p>							
Name: IPLC and DGM stakeholders engaged in DGM global and regional knowledge exchange (number); (knowledge exchange)		Number	0.00	50.00	Semiannual	Review of the exchange attendance list	GEA
<p>Description: This indicator captures the total number of IPLCs that participate in DGM Global knowledge exchanges (without double counting).</p>							





Additional Financing for DGM Program and Global Learning and Knowledge Exchange Project (P170861)

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<p>“capacity building” - time spent developing relevant skills that can be used to increase awareness of other DGM-related projects and enhance engagement in climate action and sustainable forestry</p> <p>“activities” – organized trainings and exchanges of regional and global relevance, including global exchanges where participants will learn from the successful implementation of DGM projects and other relevant experiences, and a series of bilateral short-term targeted exchanges where fellows will from technical experts and successful community/Indigenous Peoples’ REDD+ projects.</p> <p>Disaggregated by type of capacity building activity.</p>							

Target Values

Project Development Objective Indicators

Indicator Name	Baseline	End Target
Joint activities and/or alliances under IPLC leadership at regional and/or global level that emerged through the global platform (number)	0.00	15.00
GSC providing fiduciary and general oversight to the DGM program (Yes/No)	-	Yes

Intermediate Results Indicators

Indicator Name	End Target
Number of person-hours of capacity building and/or knowledge exchange in global exchanges (number)	900.00
Percentage of satisfaction of exchange participants (percent)	85.00
Percentage of exchange participants in learning and knowledge exchange activities belonging to non-DGM countries (percent);	20.00
Percentage of women participants in Global and Regional Learning Exchanges (percent)	50.00
Number of relevant international events for GSC members with other IPLC partners and networks (number)	10.00
Percentage of GSC members that perceive DGM governance and processes as transparent and inclusive (percent)	70.00
Percent Satisfaction of GSC Members (level of commitment) (percent)	80.00
Percentage of grievances elevated to and addressed by GSC, related to the delivery of the DGM (percent)	100.00

Indicator Name	End Target
Average monthly unique visitors to the DGM Global website (past 3 months)	500.00
Publications and communication materials/tools that advance the field of IPLC-led conservation (number)	10.00
Number of DGM reports produced (number)	8.00
IPLC and DGM stakeholders engaged in DGM global and regional knowledge exchange (number); (knowledge exchange)	50.00
DGM global fellow that achieved their learning objectives (percent)	85.00
Capacity-building activities under DGM (number) (disaggregated by type)	10.00

APPENDIX A: DETAILED PROJECT DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

1. Phase 1 of the **Global Learning and Knowledge Exchange Project** has established a platform for capacity-building and strengthening partnerships among and between IPLC organizations, and it serves as a chapeau or umbrella for the program as a whole, including the country DGM projects. The current project (Phase 2 DGM Global project) will be utilizing resources built in Phase 1 of the DGM Global project to continue strengthening capacities of DGM IPLCs and share knowledge and learning from the DGM to a wider IPLC community.
2. The Project Development Objective is to strengthen networks and partnerships for DGM Indigenous Peoples and Local Communities (IPLCs) at regional and global levels.

The project will finance the following components and activities:

- **Component 1: Global and Regional Learning**
 - **Component 2: Governance and Partnerships**
 - **Component 3: Monitoring, Reporting, GRM, and Communications**
 - **Component 4: Management of the DGM Global Executing Agency**
3. **Component 1. Global and Regional Learning (US\$ 609,709)**: The focus of this component is to organize and facilitate 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. Activities under this component have a global or regional scope and include:
 4. **Sub-Component 1.1 – DGM Learning Exchanges (US\$ 430,537)**: organizing global capacity building and learning exchanges to learn from the successful implementation of community-led DGM projects and other relevant experiences.
 5. **Sub-Component 1.2 DGM Fellow Exchanges (US\$ 179,173)**: organizing a series of bilateral short-term targeted exchanges to DGM country projects to share IPLC expertise and experiences between DGM countries and across regions.

6. Notably, this component will facilitate DGM IPLCs to learn from technical experts and from successful community/ Indigenous Peoples' REDD+ projects, for example, on benefit-sharing, land tenure, climate-smart agriculture, sustainable forest management, and other issues which the GSC identifies. The global and regional learning activities under this component will be identified and discussed on an annual basis during GSC meetings and presented to the World Bank in an annual project work plan.
7. **Component 2: Governance and Partnerships (US\$ 800,701):** This 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 as outlined below:
8. **Sub-Component 2.1 - Secretariat of the Global Steering Committee (US\$ 512,310):** providing the necessary secretariat services to the GSC meetings, GSC Subcommittees, and Co-chairs. facilitating GSC meetings and enabling the GSC to fulfill its role as the overall governing body of the DGM to provide fiduciary and general oversight to the program. The GEA will organize, coordinate, service, and report on the GSC meetings, which will take place on an annual basis in a central, accessible location.
9. The GSC is the governing body of the DGM and provides strategic oversight and intellectual and policy guidance to the program. It will be composed of a majority of IPLC members drawn from the DGM National Steering Committees in DGM countries. Observers in the GSC could include one or more MDBs, UNPFII, some FIP country governments, and one or two members from the World Bank. The GSC's responsibilities include promoting consistency in implementation of the program across the DGM countries, identifying activities for the global project, approving the Global project budget, reviewing and approving amendments to the DGM Framework Operations Guidelines, and facilitating a complaints redress and mediation mechanism. The GSC is also responsible for the broader dissemination of the lessons from the DGM and to report on the lessons and results to the FIP Sub-Committee on an annual basis. The first phase of the DGM Global project has formally constituted the GSC and is fully operational. The second phase of the DGM Global will use an existing GSC mechanism as established under the DGM Framework Operations Guidelines.
10. **Sub-Component 2.2 – Managing IPLC partnerships (US\$ 288,391):** facilitating the engagements of DGM IPLC partners at relevant international policy dialogues, forums, and processes including but not limited to (i) UNFCCCC, (ii) UNPFII, (iii) IIPFCC, (iv) FCPF. As described in the DGM Framework Operational Guidelines of the DGM, referred to as the “Global Component,” this sub-component 2.2 will support the GSC in strengthening their capacities and serving the DGM as a governing body, representing their respective

DGM and non-DGM countries at the GSC. Additionally, this sub-component will support GSC participation in forests, REDD+ and climate change-related events, including but not limited to trainings on international negotiations, and relevant international policy dialogues and processes. The GSC will carry out external outreach on the program to organizations such as UNPFII, (United Nations Permanent Forum on Indigenous Issues), UN-REDD, GEF, IFAD, FCPF, global and regional IPLC organizations, and other organizations and donors working on, influencing or funding IPLC work, REDD+, and other forest and climate mechanisms. The GEA will provide the necessary logistical and technical support on this activity.

11. **Component 3: Monitoring, Reporting, GRM, and Communications (US\$ 643,007)**: The component will cover the costs for implementation of DGM Global communications, robust monitoring and reporting (M&R), and an efficient project-related Grievance and Redress Mechanism (GRM). Expected outputs include:
12. **Sub-Component 3.1. Monitoring and Reporting of the DGM Global Project (US\$ 397,830)**: The GEA will conduct monitoring and reporting on the results and overall performance of the global project, and compile and report the results of Country Projects. The activities under this component are not a substitute for the monitoring and reporting that DGM projects in the countries will carry out as per Bank requirements for all investment projects. GEA will coordinate actively with NEAs in DGM countries to monitor and document the overall implementation progress of the DGM. The NEAs will provide information to the GEA through these standard formats for a DGM-wide compilation of progress reports. The GEA will provide advice and coordination to NEAs to ensure that information from national-level monitoring efforts flows effectively to reporting on progress toward achieving global indicators. The GEA will compile the data and report the results of the DGM program. The GEA will deliver the following reports - a DGM Annual report, and a DGM semi-annual progress report.
13. **Sub-Component 3.2. Grievance and Redress Mechanism of the DGM Global Project (US\$ 17,621)**: As outlined in the Framework Operational Guidelines, the GSC will facilitate a grievance redress mechanism with support from the GEA for matters that are not resolved at the country level and are referred to the GSC. This sub-component will maintain and facilitate the functioning of a DGM Global grievance redress mechanism, based on the process outlined in the Framework Operational Guidelines for the DGM, and work with a sub-committee of the GSC to ensure that the GSC is active and responsive to complaints and grievances that may advance to the GSC for resolution through a GRM mechanism that was already established under the first phase of the DGM Global project by using an EthicsPoint, a third-party system for grievance reporting.
14. **Sub-Component 3.3. Communication and knowledge management of the DGM Global Project (US\$ 227,557)**: Communications

and outreach for the DGM, including a website and other appropriate online communication tools, will be an essential part of Phase 2 of the DGM Global project. This project is designed to address knowledge management and capacity building needs at the regional and global levels. Communication and coordination among the DGM countries are an essential input to ensuring that the capacity building and learning activities designed under this project are relevant and reflect the needs and lessons from DGM Country Projects. The GEA will liaise, collaborate, and coordinate actively with the NEAs and GSC Global Communications Team (GCT) to conduct communications and outreach activities, including the dissemination of culturally appropriate and inclusive information across DGM communication channels. The project will ensure the sufficient flow of information and broad availability and accessibility of the DGM results and impacts, both nationally and globally. This includes the procurement of goods and services such as translation, interpretation, and graphic design for the preparation and delivery of reports and knowledge products. This project will use an existing DGM Global website to organize information and facilitate knowledge exchange, learning, and capacity development to increase the participation and learning of DGM grantees and other IPLCs from both DGM and non-DGM countries working on REDD+. The website will focus on bringing the voices of DGM IPLC grantees to a global platform to share lessons learned, challenges, and progress, promoting such innovative techniques as digital storytelling. The GEA will coordinate with the NEAs to ensure that digital content generated at the national level will flow effectively to the global website and that non-digital content will be available employing other global information tools to ensure the availability of culturally appropriate knowledge resources for use by IPLCs globally.

15. **Component 4: Management of the DGM Global Executing Agency (US\$ 246,582).** This component covers the incremental operational, technical, and managerial costs of the GEA team to carry out its tasks and overall responsibilities required to support the management financial reporting and auditing of project activities. The project will finance administrative staff costs for the GEA. Expected outputs include supporting the project management, strategic planning, and administrative coordination required to ensure the successful implementation of the DGM Global project.
16. The GEA will prepare a provisional work plan and budget for each year of the second phase DGM Global Project, and it will be submitted to the World Bank. Revisions to the provisional work plan and budget for each year will be submitted no later than 30 days after the approval by the GSC of the Strategic Plan for the second phase of the Global Project.
17. The GEA will submit annual and semi-annual reports to the GSC related to the ongoing implementation of Phase 2 of the Global Project and DGM Country Projects following receiving a 'no objection' from the WB.

18. The following reports will be prepared and submitted by the GEA:

- *Semi-annual implementation progress report* on the activities of the DGM Country Projects and Phase 2 of the Global Project in a format based on the common reporting framework developed in collaboration with the NEA's and to be agreed on with the World Bank and to be submitted within 60 days after the end of the reporting semesters, which will be agreed on with the GEA. The information in the semi-annual progress report related to the Country Projects will be compiled from the information provided by the NEAs. This report should include descriptions of DGM Country activities, progress, lessons and results, details of the portfolio in the countries and the activities of the global project, status of implementation, funding allocations for the previous period, and other pertinent information.
- *Annual Report* on Phase 2 of the DGM Global will be submitted in a format to be agreed on with the World Bank and to be submitted 90 days after the conclusion of the reporting year. Dates will be agreed on with the GEA and the World Bank.
- Project Completion Report to be submitted within 90 days after the implementation of all activities under the second phase of the DGM Global project.

19. All such reports and deliverables shall be prepared in English and translated, upon the GSC's request, in any or all working languages of the DGM. All reports prepared by the NEAs that form the basis of the semi-annual report to the GSC and the annual report and any other reporting required of the NEAs to complete the reporting responsibilities of the GEA will be submitted to the GEA in English and the national language. All reports and deliverables shall be submitted in electronic format to the GSC and the World Bank.

20. In addition to the above reporting to the GSC, the GEA shall report in the agreed-on format to the World Bank on financial aspects of the second phase of the DGM Global project. These reports should be submitted on a semi-annual basis, within 60 days of the end of the reporting semester. If situations occur that require additional reporting for World Bank's review, input, or action, submission dates will be agreed on with the GEA on a case-by-case basis.

APPENDIX B: GRIEVANCE AND REDRESS MECHANISM

1. The DGM has a three-tiered grievance redress mechanism and complaints handling structure, with an appeals procedure and escalation provisions. The GSC and GEA play an important role in facilitating coordination and communication between the country projects and the global project to anticipate and facilitate discussion about escalating grievances. According to the DGM Framework Operational Guidelines the DGM three-step grievance redress mechanism and Complaints Procedure (GRMC) managed by the NEAs at the country level and the GEA at the global level consist of:

- Record and acknowledge complaints received;
- Encourage immediate, on-the-spot resolution of issues; and,
- Provide reports in the public domain on complaints received and actions taken.

2. The DGM Global GRMC receives and addresses grievances related to the Global Project's activities and in instances when the country does not have a national-level mechanism in place, the GEA can provide technical support. During GSC meetings, members share their experiences addressing grievances at the national level through their respective GRMs. They have learned that there are two main types of complaints, requests for information and grievances. National GRMCs strengthen indigenous and local community governance systems, enabling DGM stakeholders to address and resolve grievances based on their cultural context and organizational structure. To date, DGM has project GRMCs at country level in Brazil, Peru, Mexico, Burkina Faso, Ghana, DRC, Mozambique, and Indonesia. Each country GRMC has its unique design and addresses grievances from local to national level.

3. In April 2016, the DGM Global Steering Committee adopted a Grievance Redress and Complaint Procedure that outlines how grievances that were escalated to the GSC or brought directly to the GSC would be addressed. The DGM global project GRMC was launched in May 2016. In April 2017, a grievance sub-committee was elected within the GSC, with two members beginning service on July 1, 2017. The subcommittee has worked with the GEA to ensure that the GSC is responsive to any complaints or grievances that may advance to the global level for resolution.

4. As part of the improvements of DGM Global GRMC, the Global Steering Committee approved in their April 2018 Annual Meeting in Arlington, DGM Global revised system for managing grievances and complaints. In the new system, grievances are first to be submitted to an independent online third-party system called *EthicsPoint* to determine the appropriate point of contact to address the grievance. In order to facilitate access to DGM Global's GRMC, stakeholders are invited to also submit grievances via telephone,

email and mail (See Annex 2). This system was launched in early 2019 and mitigates potential concerns stakeholders may have of raising grievances to the GSC or GEA by allowing for complaints/issues to be raised and for anonymous reporting and/or confidential reporting and follow-up. It is available in various languages, including DGM official languages. Information on past grievances and access to DGM Global GRMC is available in DGM Global website at <https://www.dgmglobal.org/accountability>

Timeline of DGM Global GRMC Implementation

July 2015: Draft Grievance Redress Mechanism and Complaint (GRMC) procedure reviewed by GSC at 1st meeting in Bali & GSC request for clarification.

Jan. 2016: 1st NEA discussion of GRMC procedure.

April 2016: DGM Global GRMC procedure, with proposed revisions approved by GSC at 2nd meeting in DRC.

April 2017: GSC establishes Grievance subcommittee.

June 2017: 2nd NEA discussion of DGM GRM practices.

October 2017: First GSC complaint resolved.

April 2018: DGM Global GRM Lessons Learned Report and GSC decision on DGM Global GRM procedure.

January 2019: CI Ethics point hotline integrated to DGM Global GRM.

APPENDIX C: ECONOMIC ANALYSIS

1. Phase 1 and Phase 2 of the DGM Global project (“Global Project”) is a platform for capacity building and strengthening networks and partnerships among and between IPLC organizations. This serves as an umbrella promoting internal and external outreach, networking and knowledge exchange between DGM activities in the DGM countries as well as FIP, and other REDD+ countries, monitoring and learning as well as reporting on the program. The Project Development Objective is to organize and facilitate knowledge exchange, learning, capacity building activities, and strengthen networks and partnerships for DGM Indigenous Peoples and Local Communities (IPLCs) at regional and global levels.

Economic Analysis Methodology

2. 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, the regular methods are challenging to apply in the context of the Global Project.
3. One of the commonly applied approaches to assess the efficiency of these projects is the cost-comparison method when the cost of the project or its elements is compared to the projects with similar outcomes. The DGM global project is designed in a similar way as many other projects of this kind – umbrella or chapeau knowledge platform designed to provide capacity building, technical assistance to the set of DGM country projects, and facilitate or manage knowledge exchange among beneficiaries. Composition and the overall cost of phase one DGM Global Project and phase two DGM Global project are compatible with other projects of this kind (Table 1).

Table 1. examples of KM and Capacity Building Coordination Environmental Projects

Name of the project	Total amount	Project components	PDO
Building Resilience through Innovation, Communication and Knowledge Services (BRICKS) Project (P130888)	US \$4.63 million	KM component – 2.36 million Program Monitoring - 1.65 million	Improve the accessibility of best practices and monitoring information within the Sahel and West Africa Program portfolio on sustainable land use and management
Global Wildlife Program (GWP) Coordination Grant	Phase 1- US\$7 million Phase 2 - US\$10 million	Program Steering committee Coordination Strategic	Strengthen the GWP’s coordination and knowledge management platform to promote

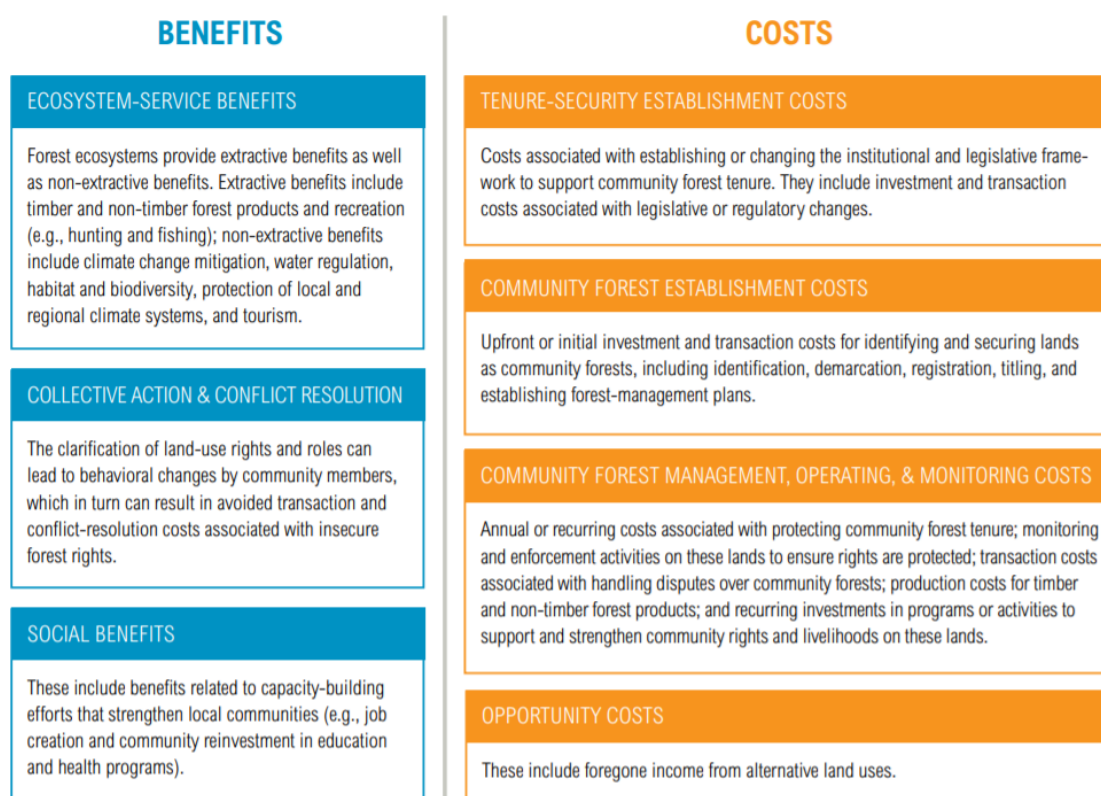
		partnerships KM and Communications M&E	wildlife-based economies and combat illegal wildlife trade
Regional - Governance and Knowledge Generation REGOKO, 5 countries in the MNA region, P118145	US\$3 million	Governance Technical assistance Investment component	Foster the integration of environmental issues into sectoral and development policies of the beneficiaries, through the production of innovative knowledge on environmental issues, with specific reference to water-related topics, and the organization of trainings during which this knowledge will be used to strengthen the capacity of key stakeholders at a local, national, and regional level.
Compared to: DGM Global Project	Phase 1: US\$4.7 million Phase 2: US\$2.3 million	Global and Regional Learning Governance and Partnership Project Management	Organize and facilitate knowledge exchanges, learning, and capacity building activities for DGM Indigenous Peoples and Local Communities (IPLCs) at the regional and global levels.

Projects Benefits

4. Direct and indirect benefits of this project are difficult to measure in economic terms. However, the anticipated impact of the knowledge shared and received by the beneficiaries is immense. A limited list of the DGM outcomes includes:
 - Broader and potentially more transformational effects/impacts than earlier predicted.
 - Substantive outcomes: better governance, higher recognition, increased efficiency, improved land rights, better natural resource management, and income generation.
 - Enabling outcomes: more ownership and trust, transparent governance.

- The outcomes for other stakeholders include an improved relationship with IPLCs, and IPLCs being more accepting of REDD+ and the FIP.
5. While it is not possible to assess the direct benefits associated with this project, some assumptions can be made based on the relevant studies. For example, assessment of the benefits derived as a result of the knowledge acquired on improved forest management, secured tenure, NTFP value chain, etc. There are many various impacts we could assume as a result of the knowledge exchange process, one of them is indirect impact as a result of the gained knowledge on sustaining secure community forest tenure.
 6. Recent WRI 2015 benefit-costs analyses¹³ of Brazil's Indigenous Territories and the community concessions in Guatemala's Maya Biosphere Reserve categorized the following benefits and costs related to the secured tenure (see Figure 2 below):

Figure 2. List of Benefits and Costs in the Forestry and Environmental Management projects



7. The study suggests that securing community forest tenure is a low-cost, high-benefit

¹³ Erin Gray, Peter Veit, Juan-Carlos Altamirano, Helen Ding, Piotr Rozwalka, Iván Zúñiga, Matthew Witkin, Fernanda Gabriela Borger, Andrea Lucchesi, Paula Carvalho Pereda and Keyi Ando Ussami. (2015). The Economic Costs and Benefits of Securing Community Forest Tenure: Evidence From Brazil and Guatemala. WRI: Washington, D.C.
<https://www.wri.org/publication/economic-costs-and-benefits-securing-community-forest-tenure>

investment that benefits communities, countries, and global society. The results of the analyses propose that investing in strong community forest tenure security can be a cost-effective measure for climate-change mitigation when compared with other mitigation measures.

8. A World Resources Institute analyses showed that the estimated annual per hectare costs of securing community forest tenure are low compared to the benefits of carbon mitigation and timber and non-timber production. For Brazil, annual costs average US\$1.57 per hectare (ha), while carbon-mitigation benefits range from \$230/ha to \$38/ha per year over the analysis period. For Guatemala, annual costs are estimated at \$16.85/ha while carbon-mitigation benefits range from \$187/ha to \$120/ha, and timber and nontimber production benefits are \$12.51/ha and \$0.91/ha.¹ In Brazil, the net present value results (benefits minus costs) range from \$1,454 to \$1,743 per hectare and \$162 billion to \$194 billion for all Indigenous Territories in the Brazilian Amazon. WRI team estimated the cost of carbon mitigation (per tonne of CO₂ emissions removed from the atmosphere) through a 20-year investment in forest-tenure security to be between \$0.39 and \$0.52/tCO₂ (Table ES-1).

Table ES-1 | **Brazil Benefit-Cost Analysis and Cost/tCO₂ Results**

DISCOUNT RATE	6%	2%
Total net present value (US\$ 2015)	\$161,681,533,000	\$193,915,358,000
Net present value per hectare	\$1,454	\$1,743
Mitigation cost (\$/tCO ₂)	\$0.39	\$0.52

9. In Guatemala, the net present value per hectare ranges from \$1,715 to \$2,280 and from \$605 million to \$805 million for all nine active community concessions. The carbon-mitigation cost per tonne of CO₂ emissions removed from the atmosphere through a 20-year tenure security investment is estimated to range from \$7.37 to \$8.50 (Table ES-2).

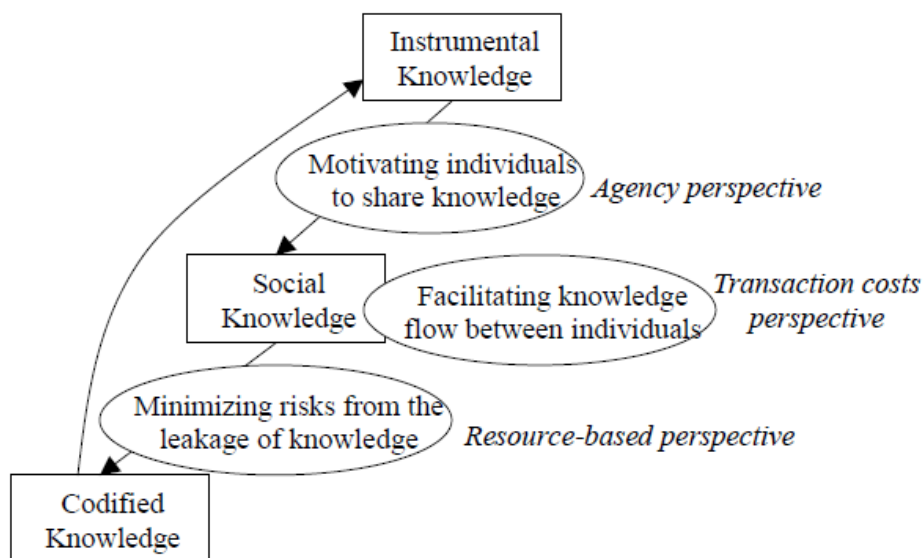
Table ES-2 | **Guatemala Benefit-Cost Analysis and Cost/tCO₂ Results**

DISCOUNT RATE	6%	2%
Total net present value (US\$ 2015)	\$605,368,000	\$804,649,000
Net present value per hectare	\$1,715	\$2,280
Mitigation cost (\$/tCO ₂)	\$7.37	\$8.50

Discussion

10. One of the significant elements of this project is Knowledge Management (KM) and Knowledge Exchange. The ultimate goal of Knowledge Management is to facilitate the process of knowing from instrumental knowledge to codified knowledge. The three economic perspectives may contribute to obtaining the ultimate goal of KM, as shown in figure 3¹⁴:

Figure 3. The process of knowing and contributions of the three economic perspectives.



11. Quantifying benefits by applying this scheme in project accounting and by collecting data across various projects with knowledge management interventions might provide some basis for assessment of the effectiveness of the knowledge management systems.
12. Cost-benefit analysis is appropriate for the organizational systems where measurements are available for the increase in productivity as a result of the improved knowledge received/shared. The investment cost of the KM system is categorized in capital expenditures and operating expenditures. On the contrary, the cost-saving, increasing the quality of products, and employee productivity and speed are considered as the benefits. The fuzzy rule-based system is used to calculate the expected revenue increase, and the Monte-Carlo simulation method is applied to determine the expected NPV of KM system investment at different certainty levels.¹⁵ Application of this method would be appropriate if cost-saving

¹⁴ Minsoo Shin. A framework for evaluating the economics of knowledge management systems. (2004). College of Information and Communications, Hanyang University, Haengdang-Dong, Seongdong-Gu, Seoul 133-791, Republic of Korea. Information & Management 42 (2004) 179–196

¹⁵ Ferdinand Murni Hamundu, Ahmad Suhaimi Baharudin, Rahmat Budiarto. (2011). Fuzzy-Monte Carlo Simulation for Cost-Benefit Analysis of Knowledge Management System Investment. DOI: 10.5772/33203 <https://www.intechopen.com/books/new-research-on-knowledge-management-technology/fuzzy-monte-carlo-simulation-for-cost-benefit-analysis-of-knowledge-management-system-investment>[2].

values are known for the global environmental coordination projects.

APPENDIX D: PROCUREMENT, FINANCIAL MANAGEMENT AND DISBURSEMENT SCHEDULE

Procurement:

A. General

1. Procurement for the proposed project would be carried out in accordance with the World Bank's Procurement Regulations for Borrowers under Investment Policy Financing (July 2016, revised August 2018) ("Procurement Regulations") in addition to the provisions stipulated in the Legal Agreement. Any procurement activity will start before the approval of the procurement plan by the Bank. The PIU will follow the Bank's Anticorruption Guidelines and will not engage the services of firms and individuals suspended and debarred by the Bank.
2. For each contract to be financed by the grant, the different procurement methods, the need for prequalification, estimated costs, prior review requirements, and time frame are agreed on between the project implementing agency and the Bank project team in the procurement plan. The procurement plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.
3. **Staffing:** DGM Global Executing Agency is staffed with one Procurement staff having good experience with the World Bank-financed projects. The procurement specialist has experience with the Bank's procurement regulations, and has suitable experience on contract management as he handled similar contracts during the implementation of Phase I of this project. To implement efficiently the project, the Bank will provide timely support in addition to capacity building on some specific challenges faced during the project.
 - **Procurement of Works:** There will be no procurement of Works.
 - **Procurement of Goods:** Goods procured will include computers, tablets, cell phones, and software licenses.
 - **Procurement of non-consulting services:** Non-consulting services will include translations, printing, and other vendor services.

- **Selection of Consultants:** Individual consultants and consulting firms will be selected in accordance with the methods agreed on in the approved procurement plan.
- 4. The GEA will prepare the terms of reference (TORs) and bidding documents ahead of the estimated date of issuance mentioned in the approved procurement plan. All Consulting Services TORs will follow the procedures outlined in the approved Procurement Plan.

B. Assessment of the Agency's Capacity to implement Procurement

- 5. Procurement activities will be carried out by Conservation International Foundation (CI) through its DGM Global Executing Agency (GEA) located in Arlington, VA, USA. This agency already implemented Phase 1 of the DGM Program and Global Learning and Knowledge Exchange Project (P128748) from December 2018 to December 2020. The project implementing agency will be responsible for all procurement and contracting related queries and processing, including management and compliance with fiduciary requirements. DGM Global Executing Agency is staffed with a procurement specialist and has managed several projects financed by the World Bank for more than ten years. Nevertheless, DGM Global Executing Agency has limited experience with the Bank's procurement regulations. As this project will be composed of non-complex consulting services and small goods contracts, the procurement risk is considered **moderate**.

C. Procurement Plan

- 6. DGM Global Executing Agency will develop an annual spending plan to be agreed on with the World Bank. Based on this plan, the list of contracts to be signed and to be financed by the grant will be listed in a procurement plan that the Bank shall approve before each yearly program implementation.

D. World Bank Prior Review

- 7. Goods and services contracts costing US\$50,000 or less shall be procured in accordance with competitive commercial practices based on quotations received, usually from at least three reliable and qualified suppliers. These contracts will be subject to post-review. Prior review thresholds are mentioned in the approved procurement plan.

E. Frequency of procurement supervision mission

8. In addition to any prior review to be carried out by the World Bank qualified Procurement Accredited Staff, an implementation supervision mission will also be conducted each year till the grant closing date.

Financial Management:

9. **The proposed operation is an Investment Project Financing**, supported by a grant from the Strategic Climate Fund in the amount of US\$2.3 million and to achieve the Project Development Objective to organize and facilitate knowledge exchanges, learning, capacity building activities, and to strengthen networks and partnerships for DGM Indigenous Peoples and Local Communities (IPLCs) at regional and global levels through the following components i) Component 1: Global and Regional Learning (the estimated amount is US\$609,709). ii) Component 2: Governance and Partnerships (the estimated amount is US\$800,701). (iii) Component 3: Monitoring, Reporting, Communications, Project Management (the estimated amount is US\$643,007) and (iv) Component 4: Management of the DGM Global Executing Agency (the estimated amount is US\$ 246,582).
10. In connection with the above IPF operation funded by Trust fund, a financial management capacity assessment of Conservation International – Arlington USA, the implementing agency, has been conducted in line with the Financial Management Practice Manual for World Bank-financed Investment Operations, which became effective on December 11, 2014. The objective of the assessment was to determine whether the implementing agency (IA) has in place acceptable financial management arrangements to ensure that: (i) the funds will be used only for their intended purposes in an efficient and economical way; (ii) accurate and timely periodic financial reports will be prepared; and (iii) the assets will be safeguarded.
11. The observations of the FM capacity assessment of Conservation International, USA, conducted in August 2019 observed that the IA had made acceptable FM arrangements, including having professional staffing and tools in place to manage the resources of the DGM operation. The FM team is headed by a qualified and experienced Finance Director and assisted by a Sr. Finance Manager and controlled by a Senior Director for review clearance and submission of financial reports to prospective donors. The IA has had past experiences in implementing World Bank grants and other well-known donor-financed operations. The fiduciary team needs further refreshment clinics to bring them to updated changes in FM policies and procedures requirements of the World Bank. They have in place acceptable FM procedures manual, and the accounting software used is Business World

(formerly known as Agresso) as their enterprise resource planning system. Business World provides integrated financial, project, and grant-making data, ensuring the accurate and timely management of information in any country of performance. This accounting system can track revenue and expenditures by project/donor. Transactions entered into the system are placed into the workflow and must be approved before it is being posted. Month-end reconciliations are prepared and reviewed by separate employees. Therefore, the financial system is fully computerized.

12. The organization's Finance Division includes an accounting department and a budget and reporting department that both roll up under the Chief Financial Officer. To maintain enough independence from the work, the Internal Audit department has no direct operational responsibility or authority over any of the activities being reviewed and reports to the General Counsel administratively but to CI's Audit Committee functionally. Within the Finance Department, there are segregation of duties for incoming and outgoing cash related transactions, including but not limited to bank reconciliations, payment initiation, payment approval, and release are all performed by separate team members. The CFO is a CPA with over 20+ years of accounting and non-profit experience. The Controller is also a CPA with over 10+ years of accounting and non-profit experience. The Director of Internal Audit is a CPA with over 15+ years of experience in accounting including seven years specifically with non-profits.
13. Additionally, CI undergoes an institutional external audit annually. The auditors expressed a clean opinion (unqualified) in 2016, 2017, and 2018 annual accounts of projects implemented by the IA and the reports are acceptable to the World Bank.
14. The use of the current FM team of Conservation International, Arlington, VA, USA to manage the financial management aspects of the project will enable the establishment of a financial fiduciary management system for the project that satisfies the Bank's minimum requirements under Bank policy and directives regarding investment project financing (IPF). Based on the findings of the assessment, the following actions are required to ensure effective FM systems: (i) Prepare the detailed budgets in line with grant agreed activities; ii) opening a Designated Account (DA) in an acceptable commercial bank in the USA for receiving funds from the World Bank; (iii) configuring/customizing the accounting software Business World (formerly Agresso) which is IA's enterprise resource planning system. To allow the recording of project transactions and the preparation of financial reports; (iv) drafting of a short Note as an Annex to the existing FM Manual to reflect the Bank's FM procedures and requirements and (v) prepare an annual budget for each fiscal year of implementation. These actions are to be completed in a timely manner to help implement the project: actions (i) to (iv) are dated covenants and should be implemented not later than two months after the effective date of the project.

15. **Reporting.** The IA will be required to prepare and submit to the World Bank the following reports and documents: (i) an annual work program and budget (AWPB) not later than April 30 of the year preceding the year the work plan should be implemented; (ii) biannual unaudited interim financial reports (IFR) within 60 days following the end of each six month period; and (iii) audited annual financial statements not later than 6 months following the end of each fiscal year. A financial reporting template has been agreed with the IA.
16. **Disbursements.** Upon the effective date of the TF Grant, IFR based disbursement will be used. The project will finance 100 percent of eligible expenditures inclusive of taxes. The DA in dollars opened in the commercial bank (Bank of America) located in Washington, DC, USA, under terms and conditions acceptable to the World Bank will be used to receive and make payment for eligible expenditures under the grant agreement. The ceiling of the DA will be stated in the Disbursement and Financial Information Letter (DFIL) and will represent four to six months of forecasted project expenditures expected to be paid from the DA during Year 1 and based on the AWPB of Year 1. The initial six-month project expenditure will be paid as advance into the DA, and subsequent disbursements will be made against submission of IFR on the use of the initial/previous advance. Other methods of disbursing the funds (for example, reimbursement) will also be available to the project. The minimum value of applications for such methods will be 20 percent of the DA's ceiling. The project will sign and submit Withdrawal Applications electronically using the eSignatures module accessible from the World Bank's Client Connection website. The IA will then utilize funds for expenditures such as - contractors/service providers/travel and other eligible expenditures. Misappropriated activities of procurement could result in the suspension of financing of the grant.
17. **Supervision.** The Risk assessment was High; however, the mitigation measures in place will bring the risk to **MODERATE**. Close monitoring of the project will be conducted, and the risk will be revisited and evaluated during such mission. At least one full supervision missions are planned over the first year of implementation.
18. **Audit:** CI will conduct a project audit by an independent auditor for each fiscal year of the project. Such audited financial reports will be submitted to the World Bank within 6 months from FY year-end of IA. The project IA will comply with the World Bank's disclosure policy of audit reports and place the information provided on the official website within two months of the report being accepted as final by the team and the World Bank.
19. The World Bank's FM assessment concluded that Conservation International's FM arrangements meet the World Bank's minimum requirements under OP/BP10. The overall residual risk rating is **moderate**.

APPENDIX E: GLOBAL LEARNING FELLOWSHIP PROGRAM – CONCEPT

1. Objective: To provide DGM beneficiaries with the opportunity to participate in focused two-week learning exchanges to other DGM countries where they can learn from, and share knowledge and experiences with, other communities.
2. Eligibility: DGM Beneficiaries, NSC Members, and sub-project coordinators will be eligible to apply. Applicants should demonstrate cumulative experience at the national and local level, be more than 18 years old, and have a willingness to travel alone or with up to 1 other fellow. GEA, NEA, and GSC members do not qualify.
3. Application:
 - Personal Information
 - Statement of Grant Purpose. Applicant must write a 1-2-page statement of grant purpose including:
 - o Personal statement on their background, knowledge, and experience
 - o Desired DGM Country, research topic, and research method
 - o Topic to share & exchange with communities and knowledge sharing approach
 - Letter of endorsement from the participant's community of origin
 - Request for Affiliation Letter addressed to host country NEA (must include point of contact information and signature of both origin NEA rep and candidate)
 - Estimated Budget and Draft Agenda
4. Deliverables:
 - Completion of training on communications and content collection
 - Media content (photos, videos, interviews, stories, etc.)
 - Written consent to share content collected with DGM GEA and Country NEAs for dissemination
 - Completion of DGM GEA survey
 - Final report
 - Receipts of expenses
5. Host NEA Role: Due to the host NEA's expertise and familiarity with the country and national DGM program, the NEA will provide inputs

to the fellow's grant purpose. The host NEA will also provide support and orientation to the fellow prior to, upon arrival, and throughout the duration of the two-week exchange. Support includes scheduling meetings and opportunities for engagement with host country communities and DGM stakeholders. If the fellow does not speak the host country's language, the host NEA will provide interpretation support to facilitate the fellow's learning and communication. The NEA will provide logistical input on travel arrangements and ensure that the fellow schedules their exchange during a strategic time of year where the fellow would be able to participate in activities and visits to communities.

6. DGM Global Role: Due to its role as the executing agency of the fellowship program, DGM Global will provide programmatic and financial support to fellows. Financial support would include up to USD 7,000 per fellow for up to 12 fellows and would consist of media equipment, such as a video camera or Smartphone, to collect related media content. DGM Global would also provide logistical support, training opportunities, travel insurance, and additional guidance on the fellow's grant purpose.
7. Potential Research Topics can include but will not be limited to Land Tenure, Sustainable Forest Management, Income Generation, Gender, Project Management and Communications, Partnerships, and more.
8. Workflow Chart for Process for Selection:

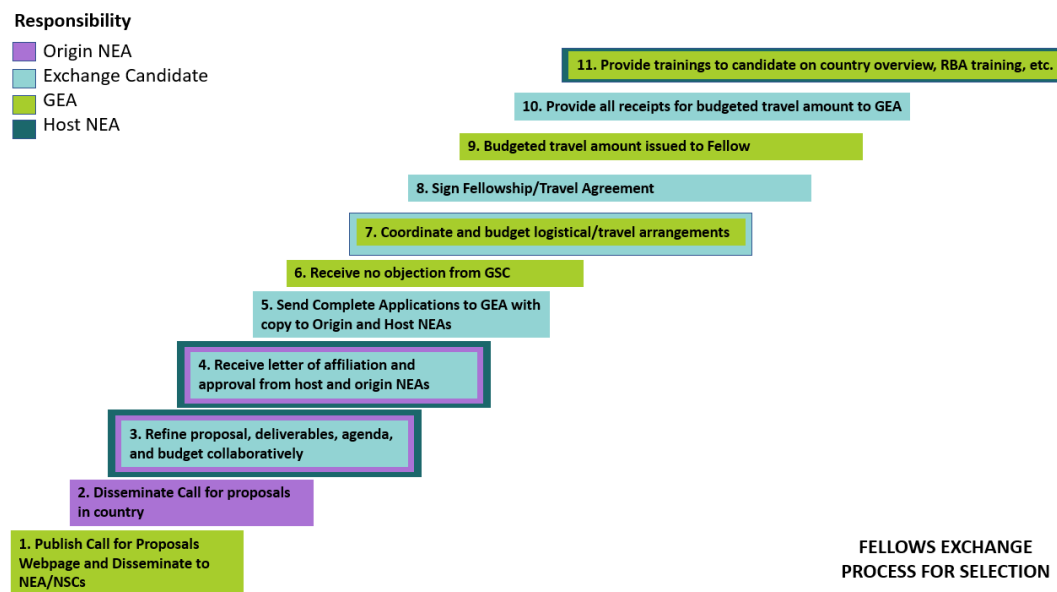


Figure 1. Process Selection for the Global Learning Fellowship

Workflow Chart for Process for Implementation:

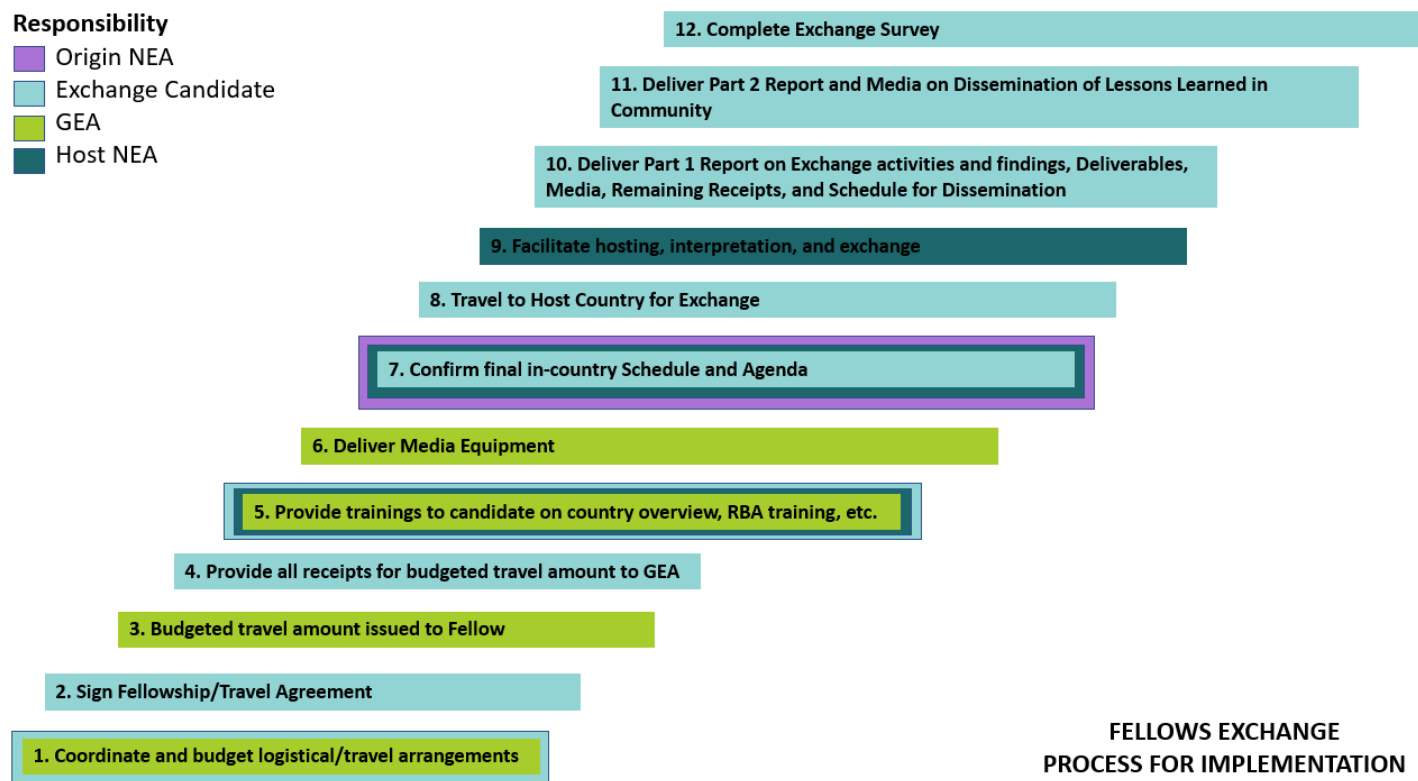


Figure 2. Global Learning Fellowship Implementation Process