

Learning Review of Dedicated Grant Mechanism for Indigenous Peoples and Local Communities



QUICK FACTS

RELEVANT CIF PROGRAM:
FOREST INVESTMENT PROGRAM

EVALUATION FIRM:
ITAD

COUNTRIES COVERED:
VISITS TO BURKINA FASO, INDONESIA AND PERU. BRAZIL, DEMOCRATIC REPUBLIC OF CONGO AND NEPAL COVERED REMOTELY.

METHODS USED:
INSTITUTIONAL HISTORY APPROACH, PORTFOLIO ANALYSIS, LITERATURE REVIEW, FIELDS VISITS, KEY INFORMANT INTERVIEWS AND LEARNING EVENTS.

CURRENT STATUS OF DGM IMPLEMENTATION:
8 COUNTRY PROGRAMS UNDER IMPLEMENTATION; AND 5 UNDER DEVELOPMENT; 207 SUB-PROJECTS FROM 4 COUNTRIES APPROVED.

REVIEW OBJECTIVE

This learning review aims to capture the experience of the Forest Investment Program (FIP) in encouraging greater involvement of Indigenous Peoples and local communities (IPLCs) in financial and policy processes that relate to forests. It focuses on the use of an innovative Dedicated Grant Mechanism (DGM) and serves as a resource for stakeholders – including forest-dependent communities, DGM practitioners, donors, multilateral development banks and climate funds – to understand the early outcomes of the DGM and identify useful lessons and insights to guide current and future DGM implementation.

WHAT IS THE DEDICATED GRANT MECHANISM (DGM)?

The DGM is a special initiative under FIP to support the full and effective participation of IPLCs in the effort to reduce greenhouse gas emissions from deforestation and forest degradation and promote sustainable forest management and forest carbon stocks, a global process known as REDD+. Established in 2010 and implemented by the World Bank, it was designed by and for IPLCs themselves, entrenched in the belief that empowering and supporting forest-dependent IPLCs is a powerful way to protect forest ecosystems that mitigate climate change and provide livelihoods for an estimated 1.3 billion people.

Through the DGM, sustainable forest-use practices led by IPLCs are supported, shared and elevated to

the national and global policy arena. There are two broad components of the DGM: first, the provision of grants to IPLCs to develop and implement sub-projects of their choice, under their control; and second, capacity building for IPLC organizations. The mechanism has both national and global steering committees that govern its use and ensure alignment with national and global climate and forestry processes. In addition, it has national and global executing agencies that manage its fiduciary operations.

“It (the DGM) has allowed us to elaborate (sub) projects according to our specific contexts and interests, reflecting our diversity and the different ways that our different communities do things.”

– Januário Tseredzaro Ruri-ô, Mobilização dos Povos Indígenas do Cerrado (MOPIC), member of National Steering Committee (NSC), Brazil.





EARLY OUTCOMES OF THE DGM

The Learning Review found that the DGM is leading to broader and potentially more transformational effects than initially predicted, with benefits both for IPLCs and the wider community involved in the DGM and REDD+. The review identified two key pathways to arrive at desired outcomes: the **project** pathways through the cumulative contribution of sub-projects and the **empowerment** pathway through capacity building and creation of platforms where IPLCs can raise issues at national and global levels. These interconnected pathways lead to both **substantive** and **enabling** outcomes that are beyond the original expectations of the DGM.

OUTCOMES FOR IPLCS

Substantive outcomes

Substantive outcomes are a result of the increased engagement of IPLCs in FIP and other REDD+ processes. These include:

- » **Better governance:** Better grant management and governance and improved technical capacity because of the DGM's focus on building local capacity to manage funds, carrying out natural resource management (NRM) and developing livelihoods.
- » **Higher recognition:** Better representation of marginalized groups, particularly women, and greater recognition of IPLC issues at country- and global-levels as the DGM provides enhanced visibility and voice to IPLCs at the local, national and regional levels.
- » **Increased efficiency:** Sub-projects better meeting community needs and being delivered more efficiently as they are developed by organizations with good knowledge of local contexts and needs.

At the sub-project level, these substantive outcomes led to tangible, early results:

- » **Improved land rights:** An early success of the DGM is facilitating 133 communities' claims to 400,000ha of ancestral land in Peru. These communities have a stronger legal position to protect their land against encroachment by mining companies. Improved land tenure is likely to be an important outcome area in other countries as the sub-project progress. [Box 2]
- » **Better NRM and income generation:** The DGM supports awareness and knowledge building through capacity strengthening on tested NRM techniques and income generation projects leading to scale-up of successful techniques and projects and mobilizing existing capacities. For example, in Burkina Faso a DGM sub-project helped a Shea butter producers group reduce its firewood consumption by two thirds by leaving the group with sufficient quantities of shea seed waste to burn instead of firewood.



Enabling outcomes

Enabling outcomes generated by the DGM process contribute to the substantive outcomes detailed above. These include:

- » **More ownership and trust:** The DGM creates strong ownership of the mechanism at the local level, and more trust at multiple levels - between the MDBs and local communities, between the national governments and local communities. Trust in the DGM is earned and sustained by putting in place monitoring systems that reassure participants that the DGM processes are fair.
- » **Transparent governance:** A big contributor in building trust with stakeholders is the overall focus on transparency of process when deciding which sub-projects are funded. The design of and funding committed to the DGM makes it appealing for those responsible and encourages them to work through the procedural requirements and maintain commitment during delays. The DGM provides a trusted avenue for more openness and scrutiny.

OUTCOMES FOR OTHER STAKEHOLDERS

The Learning Review identifies outcomes for other stakeholders who are key to the successful running of the DGM: the national and global executing agencies, and the World Bank. These outcomes further elaborate how the DGM is viable and all key stakeholders, not only IPLCs, are deriving benefit from it.

Improved relationship with IPLCs: The national and global executing agencies and the World Bank are improving their relationships with IPLCs. For example, the national executing agency in Peru - WWF-Peru - now has a much stronger relationship with the two main IP organizations working in the forested Amazonia region. Similarly, this relationship has improved in other countries as well, especially those that recognize the importance of IPs or LCs for natural resource conservation, such as in Burkina Faso and Brazil. At the World Bank, the DGM was initially considered high-risk by some stakeholders, especially with regards to being able to meet procurement guidelines, but its initial success has helped alleviate this risk perception.

IPLCs more accepting of REDD+ and FIP: Participation in the DGM has led to better understanding by the IPLCs about the potential of REDD+ and FIP to protect their rights and lead to outcomes that directly benefit them, such as improved land rights.

BOX 2. Expediting the path to land titling in Peru

In Peru, the DGM's participatory and inclusive approach has allowed Saweto DGM-Peru (the National Executing Agency) to develop a low-cost approach to land titling.

This approach involves Indigenous Peoples organizations working alongside local government to facilitate the recognition of communities' claims to their ancestral land. Indications are that this costs 50% less than what it costs other organizations because it leverages community members and representatives in mapping and characterizing work. It makes community members co-implementers as opposed to only beneficiaries, creating more ownership of the overall process.

To date, Saweto DGM-Peru has facilitated 133 communities to achieve recognition of their claims to 400,000ha of land. In countries like Peru that are pursuing land rights, these are not considered an end in themselves but a means to achieving greater development benefits, including the protection of forests.



KEY INSIGHTS

Directly empowering IPLCs brings multiple benefits:

The DGM has shown that supporting forest-dependent IPLCs to control their own destinies can bring much-needed positive impacts for the communities themselves and the ecosystems in which they live. The DGM is proving that IPLC organizations can work directly with multilateral development organizations, proposing and implementing their own sub-projects. This strengthens IPLC's capacity for fund management along with sense of ownership, bringing concrete results that can improve both lives and forest ecosystems.

Building trust and ownership increases the chances of success:

The learning review highlights how the intangible dimensions of trust, ownership and transparency were critical in achieving tangible results. Trust and social capital were built as individuals and organizations collaborated on projects that met the needs and priorities of IPLC actors while also meeting World Bank procedural and fiduciary requirements.

Maintaining current momentum critical:

The DGM has reached a critical juncture. Country DGMs have demonstrated a keen interest in sourcing their own funding, but any breaks in funding represent a challenge for maintaining the motivation and trust that are critical for the DGM. The achievements of the DGM show that it is a valuable channel for climate and development funding, and that national and international sources of finance should be encouraged to support continuation and scale up.

“We know that the indigenous organizations are happy with how it [Saweto DGM-Peru] [...]. It is something that they are asking the government and other funds implemented in the country because there are many others aimed at tilling and giving them their land rights but not necessarily make them active participants in the development and design of the project. This model of the DGM is something that they have been asking for a long time.”

Harlem Marico, DAR, Peru

