



Final Report

A Learning Review of the
Dedicated Grant Mechanism
(DGM) for Indigenous Peoples and
Local Communities in the Forest
Investment Program (FIP) of the
Climate Investment Funds (CIF)

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List of acronyms

AF	Adaptation Fund
AIDSESP	Asociación Interétnica de Desarrollo de la Selva Peruana (Interethnic Association for the Development of the Peruvian Rainforest)
AMAN	Aliansi Masyarakat Adat Nusantara (Alliance of Indigenous Peoples of the Archipelago) (Indonesia)
CAA/NM	Centro de Agricultura Alternativa do Norte de Minas (Center for Alternative Agriculture of Northern Minas) (Brazil)
CI	Conservation International
CIF	Climate Investment Funds
CIPRED	Center for Indigenous Peoples' Research and Development (Nepal)
COICA	Coordinadora de las Organizaciones Indígenas de la Cuenca Amazónica (Coordinator of Indigenous Organizations of the Amazon Basin)
CONAP	Confederación de Nacionalidades Amazónicas del Perú (Confederation of Amazonian Nationalities of Peru)
CONAQ	Coordenação Nacional de Articulação das Comunidades Negras Rurais Quilombolas (Coordination of Rural Black Quilombola Communities) (Brazil)
COP	Conference of the Parties (of UNFCCC)
CSO	Civil Society Organization
BMZ	Das Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (German Federal Ministry for Economic Cooperation and Development)
DAR	Derecho, Ambiente y Recursos Naturales (Law, Environment and Natural Resources) (Peru)
DFID	Department for International Development (UK)
DGM	Dedicated Grant Mechanism
DGM Global	DGM Global Learning and Knowledge Exchange Project
DKN	Dewan Kehutanan Nasional (National Forestry Council) (Indonesia)
DRC	Democratic Republic of Congo
E&L	Evaluation and Learning
EDA	Enhanced Direct Access
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FCPF	Forest Carbon Partnership Facility
FGD	Focus Group Discussion
FIP	Forest Investment Program (of the Climate Investment Funds)
FIP SC	FIP Sub-Committee
FLEGT	Forest Law Enforcement, Governance and Trade
GCF	Green Climate Fund
GEA	Global Executing Agency (of DGM Global)
GEF	Global Environment Facility
GRM	Grievance Redress Mechanism
GSC	Global Steering Committee (of DGM program and DGM Global)
IFAD	International Fund for Agricultural Development
IH	Institutional History
INGO	International Non-Governmental Organization
IPs	Indigenous Peoples
IPLCs	Indigenous Peoples and Local Communities
IUCN	International Union for the Conservation of Nature

KII	Key Informant Interview
LCs	Local Communities (dependent on forests)
LCDF	Least Developed Countries' Fund
LCIP	Local Communities and Indigenous Peoples
LINAPYCO	Ligue Nationale des Associations Autochtones Pygmées du Congo (National League of Pygmy Associations of the Congo) (DRC)
LQ	Learning Question
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
MIQCB	Movimento Interestadual das Quebradeiras de Coco Babaçu do Maranhão (Interstate Movement of Babassu Breakers) (Brazil)
MOPIC	Mobilização dos Povos Indígenas do Cerrado (Mobilization of Indigenous Peoples of the Cerrado) (Brazil)
NAPA	National Adaptation Plan of Action
NEA	National Executing Agency (of a DGM country project)
NGO	Non-Governmental Organization
NIA	National Implementing Agency
NICFI	Norway's International Climate and Forest Initiative
Norad	Norwegian Agency for Development Cooperation
NRM	Natural Resource Management
NSC	National Steering Committee (of a DGM country project)
OCCAAM	Organización Central de Comunidades Aguarunas del Alto Marañón (Central Organization of Awajún Communities of Alto Marañón) (Peru)
ORPIAN	Organización Regional de Pueblos Indígenas de la Amazonía Norte (<i>Regional Organization of Indigenous Peoples of the Northern Amazon</i>) (Peru)
REDD	Reducing Emissions from Deforestation and Forest Degradation
REPALEF	Réseau des Populations Autochtones et Locales pour la Gestion Durable des Ecosystèmes Forestiers de la RDC (Network of Indigenous Populations for the Sustainable Management of Forest Ecosystems in the DRC)
RIA	REDD Indígena Amazónico (Amazon Indigenous REDD)
SCCF	Special Climate Change Fund
SFM	Sustainable Forest Management
SGP	Small Grants Program (GEF)
ToC	Theory of Change
ToR	Terms of Reference
TTL	Task Team Leader (World Bank)
UGGF	Union des Groupements de Gestion Forestière (Forest Management Group Unions) (Burkina Faso)
UK	United Kingdom
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UNPFII	United Nations Permanent Forum on Indigenous Issues
WCS	Wildlife Conservation Society
WWF	World Wide Fund for Nature (has international and national chapters). Uses name World Wildlife Fund in North America but increasingly uses simply WWF.

Executive summary

This summary extracts some of the major findings from a Learning Review of the Forest Investment Program (FIP) Dedicated Grant Mechanism (DGM) for indigenous people and local communities (IPLCs) – known hereon as the DGM Learning Review. It is intended to serve as a stand-alone summary, as well as to direct readers to the greater depth of discussion and broader coverage in the main report.

The Learning Review was commissioned by the Climate Investment Funds (CIF) Evaluation and Learning Initiative to explore and capture the FIP DGM's experience in encouraging greater involvement of IPLCs in financial and policy processes that relate to forests. A broad range of stakeholders – including forest-dependent communities, DGM practitioners, donors, multilateral development banks and climate funds – have expressed a strong interest in both the FIP DGM-specific and the universal lessons that emanate from this review. The full text was developed as a resource for these stakeholders and responds to their request for evaluative evidence under two general themes:

1. What are the early outcomes that the DGM is generating?
2. What are the useful lessons and insights that may guide current and future implementation?

The Learning Review is not an evaluation in the strict sense; rather, it documents experiences and draws first inferences from early stage implementation of the DGM. The outcomes of the DGM are presented in this summary so that new countries or institutions can see what could be achieved by encouraging greater involvement of IPLCs in financial and policy processes. The DGM experience, from conception to reaching these early outcomes, is then presented to inform funders and practitioners wishing to potentially replicate, adapt or further scale the DGM or similar types of programs delivering funding at the national level. The Learning Review should make both groups aware of success factors to emulate and difficulties to avoid, and so represent a useful short-cut to more and improved IPLC-led initiatives. Articulating the positive and negative effects of the DGM's early stages should also provide recognition, encouragement and guidance for those working on existing DGMs.

What is the DGM?

The FIP was established in 2009 as one of the four targeted programs under the CIF to finance efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so. The design of the FIP identified the need for active participation of Indigenous Peoples' and local communities (IPLCs) in the program, in line with ongoing international discussions on the role of IPLCs in REDD+. IPLC observers at FIP design discussions stressed the need for dedicated resources to augment their capacity to participate in FIP implementation.

In 2011 the FIP Sub-Committee approved the DGM design document, identifying the following objectives: i) support specific initiatives of IPLCs in FIP pilot countries that enhance FIP strategies; ii) develop the capacity of IPLCs to participate in national REDD processes in general; iii) provide support for strengthening territorial and resource rights; iv) gather lessons from local-level experience and initiate the sharing of successful local REDD+ strategies and innovation; and v) build partnerships and networks of IPLCs to support and strengthen capacities to address the drivers of deforestation, forest degradation and other threats to forest ecosystems.

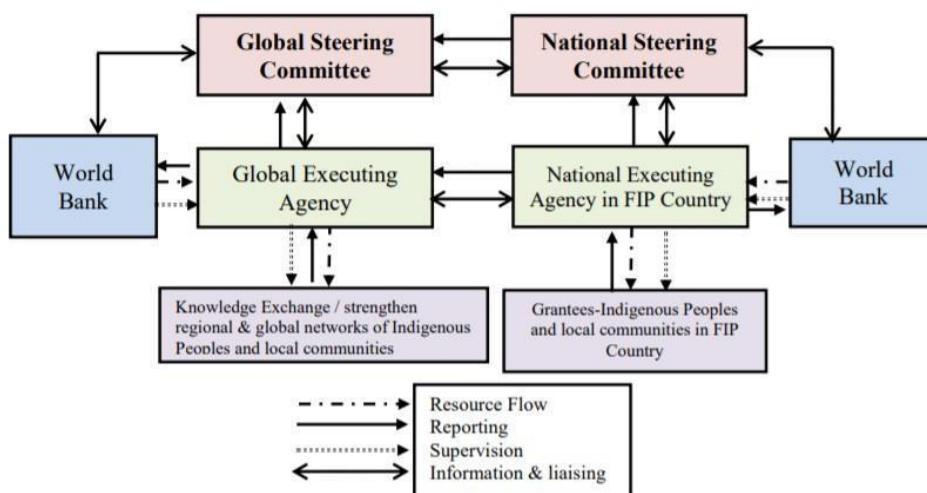
It does this through two broad components:

1. The provision of grants to IPLCs to develop and implement sub-projects of their choice, under their control;
2. Capacity-building for IPLC organizations.

The mechanism has two parts:

1. The country component, in which IPLC representatives in a National Steering Committee (NSC) govern the sub-project grant-making and engage in national-level REDD+ and FIP processes, supported by a National Executing Agency (NEA);
2. The global component, in which IPLC representatives govern the overall DGM as members of a Global Steering Committee (GSC) and engage in international climate and forestry processes, supported by a Global Executing Agency (GEA). The global component shares learning across country projects.

Figure i: DGM architecture¹



As of August 2018, the DGM consisted of the global project and national projects in 13 countries with allocated funding of which 8 had approved funding. The country DGMs were developed in two phases. The first group consisted of Brazil, Burkina Faso, Democratic Republic of Congo (DRC), Ghana, Indonesia, Mexico, and Peru. The second consisted of Côte d'Ivoire, Ecuador, Guatemala, Mozambique, Nepal and Republic of the Congo. At the time of data collection, local-level sub-projects were operational in Burkina Faso, Brazil and Peru and set to start in Indonesia and DRC. In total, 207 sub-projects had been approved.

Early outcomes: what effect is the DGM having?

The Learning Review found evidence that the DGM is leading to broader and potentially more transformational effects than its initial theory of change had predicted (see Figure 5). Evidence collected through field visits and interviews substantiate two broad categories of outcomes:

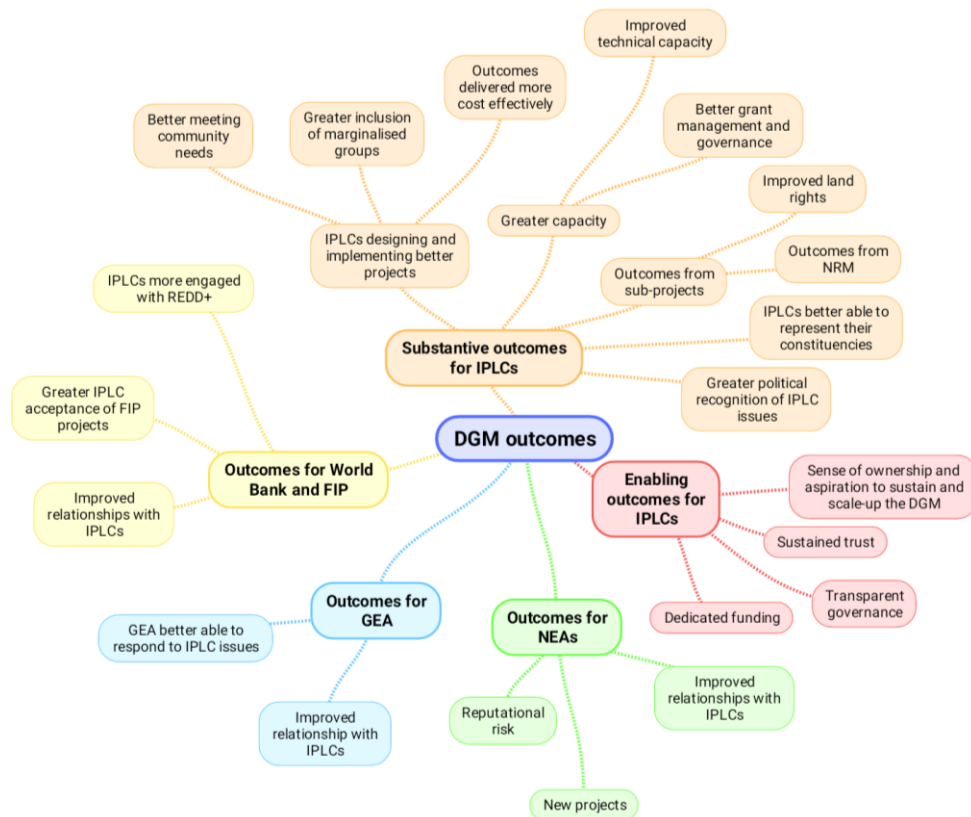
- **Substantive** Outcomes: outcomes identified in the DGM theory of change to increase IPLC engagement in FIP and other REDD+ processes.
- **Enabling** Outcomes: outcomes that contributed to the achievement of substantive outcomes which were not explicitly part of the DGM theory of change. These include increase in ownership and trust.

Outcomes were found to be the result of two interconnected impact pathways:

- Project pathway - Impact through the cumulative contribution of sub-projects that are funded and implemented on the ground; and
- Empowerment pathway - Impact through strengthening IPLC organizations to better manage funds, represent their constituents and raise IPLC issues at a global level.

DGM outcomes for different stakeholder groups are summarized in Figure ii and described below.

Figure ii: DGM outcomes for different stakeholder groups



Substantive outcomes for IPLCs

Sub-projects better meeting community needs: Respondents in the three countries with sub-projects felt that community needs were being better met because the sub-projects were developed by representative organizations with good knowledge of their context and needs.

It has allowed us people to elaborate (sub) projects according to our specific contexts and interests, reflecting our diversity and the different ways that our different communities do things. NSC member, Brazil²

The analysis is always done by people who live in these communities [...]. And so, in terms of the NSC, this is a great gain, because generally when you apply for project funding from elsewhere the analysis is done by a technical member of staff who has never even stepped foot in a traditional community. NSC member, Brazil³

Greater inclusion of marginalized groups: The DGM procurement guidelines stipulate that sub-projects must engage women in proposal design and include them as co-implementers. The designers and selectors of sub-projects appear to have heeded this well. Peru has funded 26 women-led sub-projects (a third of the total number of productive sub-projects), and Indonesia has several under review. In Burkina Faso, four out of fourteen sub-projects funded in the first call came from women’s groups, and at least two others are centered around activities that women lead, such as soubala seed production and weaving.

The DGM is an opportunity for CONAP's organizations to manage projects and make visible the participation of women in projects even from design, since usually the leadership consists of men. NSC member, Peru⁴

Outcomes delivered more efficiently: In Peru, the DGM's has developed a low-cost approach to land-titling. IP organizations are requesting other donors to adopt it because it makes more use of community members and representatives in mapping and characterization work and is said to cost 50% less⁵ than what it costs other organizations.

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 titling 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. DAR, Peru⁶

At the time of the Learning Review, Saweto DGM-Peru had facilitated 133 communities to achieve recognition of their claims to approximately 400,000ha of land.⁷ The government has used the DGM's accomplishment to meet conditions for EU funding.⁸

Better grant management and governance: Effort to build the capability of IPLC organizations and communities to manage funds varied across the five effective countries. In Peru the DGM has built the capacity of IP organizations to be able to manage and report on expenditure of funds at a standard acceptable to the World Bank. It has allowed some of the weaker IP organizations to lead technical sub-projects for the first time. Overall, it has built donor trust in both AIDSESEP and CONAP, the two national-level umbrella organizations to which the implementing IP organizations are affiliated.

In Burkina Faso, sub-projects are building community capacity to manage funds. Communities are engaged in the book-keeping, monitoring and reporting for their sub-project. However, a significant proportion of the work is supported by local people outside of the community groups. In Brazil, the NEA performs the financial management for the sub-projects, which some NSC members appreciated but others said had limited the potential for capacity-strengthening.

It isn't all communities that don't have capacity to deal with the financial elements of DGM, and there could have been an opportunity for them to do this part of the implementation themselves, giving them the chance to [...] gain experience in financial management. NSC member, Brazil⁹

Improved technical capacity: All country DGMs aim to improve the ability of IPLCs to carry out NRM and/or to develop livelihoods that are sustainable in their natural contexts. This is an area where IPLCs are recognized as already having strong technical skills, and respondents talked about their DGM scaling or mobilizing existing capacities or demonstrating more efficient processes.

We have identified in Brazil that it is these communities (indigenous, quilombola, traditional) that have preserved and conserved the Brazilian Cerrado, the native vegetation, and prevented fires and deforestation, and so there is nothing more just than to reinforce the actions of these communities by supporting these sub-projects. NEA member, Brazil¹⁰

In the past, many people thought that indigenous peoples didn't have cultural values or intellectuals. However, with DGM when there are meetings, IPLCs representatives try to demonstrate why they are the holders of forests. IPLCs share their experiences and contribute

their knowledge on how to live with a forest. IPLCs demonstrate how they manage sustainably the forest and its resources, because if the forests were not well managed they would no longer exist. NSC member, DRC¹¹

Improved land rights: Securing recognition for 133 communities' claims to approximately 400,000ha of ancestral land is arguably the main outcome generated by DGM sub-projects as of 2018. These communities now have a stronger legal position to protect their land against encroachment by mining companies. They can also develop these lands with greater confidence that advances will be maintained.

People no longer have to worry so much when a company wants to enter. The challenge for AIDSESEP becomes how to ensure economic and environmental sustainability in the development that follows? We want to contribute to a healthier development, respecting rights, seeking environmental justice [...]. NSC member, Peru¹²

Improved land tenure security promises to be an important outcome area in other countries. Indonesia's sub-projects will all be on aspects of land tenure security. In DRC, the DGM is supporting representatives to engage in the national land tenure reform processes for the first time. In countries pursuing land rights, rights are not considered an end in themselves but a means to achieving greater development and natural resource benefits.

Outcomes from natural resource management and income-generating activities: The DGM has funded sub-projects working on NRM, income generation, market linkages and threats to the region (Brazil). There are indications of positive outcomes resulting from these sub-projects, even though most had run for less than two years as of February 2018. For example, in Brazil, the NEA spoke about a sub-project carrying out water source rehabilitation that had yielded quick wins, and NSC members spoke of other sub-projects where IPLCs were rehabilitating forest¹³ or depleted land given back to them.¹⁴

There is one project that we have had the opportunity to visit where the DGM actions [...] to construct protective basins, protection from erosion runoff, have already had an effect on the community's water supply. This is a community that had its water source completely undermined by the monoculture of eucalyptus in the higher parts of land - which brought with it the drying up of water resources. NEA member, Brazil¹⁵

Outcomes are being shared through a peer-to-peer network established between 14 sub-projects in Burkina Faso.

IPLCs better able to represent the interests of their constituencies: Through engagement in the DGM, IPLC organizations have improved their ability to represent their constituencies in all countries. In DRC, the World Bank explicitly set out to strengthen REPALEF as an organization representing both IPs and LCs.

The choice has been to strengthen the representative system, i.e., villagers have a delegate at territorial level, and that delegate can bring the needs from that territory to the NSC, identify solutions with its constituents and have a leadership role in implementing the sub-project. This benefits the community; it also benefits the representative system as communities can really understand the role and the added value of belonging to a structure of representation. TTL, DRC¹⁶

In Peru, the World Bank negotiated an agreement that AIDSESEP, the institutionally strongest IP organization in the Peruvian Amazon Basin, would join forces with CONAP, another IP organization, to form a combined NSC, despite the two organizations having differing mandates. The combined NSC has

the potential to command greater political recognition because it now represents 2,300 Amazon communities, whereas AIDSESEP by itself represents only 1,500 communities.

Similarly, in Brazil, the DGM process has been able to achieve what is said to be the first instance of quilombola, indigenous and traditional communities working together – a change that all NSC and NEA respondents in Brazil mentioned as being positive.

In Burkina Faso, NSC members said that their connections to sub-project communities had deepened and become more effective when, on request, they had supported communities to develop proposals and then become involved in implementation and reporting.

Previously as a representative of local communities I knew communities' needs, but now with the DGM, and being a member of the NSC, I am able to help them express themselves and develop those ideas into a project. NSC member, Burkina Faso¹⁷

Greater recognition of IPLC issues at country- and global-level: The Learning Review found evidence that the DGM had allowed IPLC organizations to achieve greater recognition of IP issues, in particular with respect to land rights. This increased influence was being exerted at both national and global levels.

In Peru, AIDSESEP asked the World Bank to include work on land rights in the DGM. Initially, the Bank expressed some concerns to do so because the original design of the DGM excluded land titling.¹⁸ In Indonesia, AMAN leadership felt that engagement in FIP had given greater weight to the message of 'no REDD+ without IP land rights'¹⁹ and allowed their campaigns on IP issues to reach government departments they previously had no access to.

Respondents in Brazil felt that the DGM has taken on an added importance by giving visibility to IPLCs as people that are said to experience an acute level of discrimination.

The DGM is stopping them [quilombola people] being invisible to the Brazilian Government and the international community – this is a really positive aspect of the project CONAQ representative²⁰

In DRC, women's groups are using the DGM as a platform to raise specific concerns they face as indigenous women:

The authorities state that there is a law for women (Law N°015), meanwhile they do not take into account the fact indigenous women and local women in DRC are facing specific issues. Indigenous women want to show that we are left behind in terms of women's prerogatives. NSC member, DRC²¹

The global component of the DGM, through the GSC and GEA, has given appointed NSC members a platform to bring IP issues onto a global stage. For example, in 2015, the GEA funded the participation of DGM representatives at two side-events it organized at UNFCCC COP21. Similarly, in 2015, the GEA hosted the DGM Global Exchange on Climate Policy and Finance, which gave an opportunity for IPLC representatives to share ideas and develop a common platform to present at UNFCCC COP22 on Intended Nationally Determined Contributions and IPLC access to climate funding. GEA leadership thinks that the DGM contributed to the decision at COP22 to proceed with the LCIP Knowledge Platform.

GEA organized exchanges allow IPLC representatives to share experience.

*People invited to CI-organized exchanges are taking something away in terms of a border expertise than they might draw from in their own context, for example an appreciation of the difference between how Peru and Indonesia have pursued land rights and whether DRC can draw anything from the two.*²² GEA leader

Enabling outcomes for IPLCs

Sense of ownership and aspiration to sustain and scale up the DGM model: IPLCs involved in the DGM have developed both a strong sense of ownership of the mechanism and an aspiration that it should continue to function after FIP funding ceases. This aspiration was shared by respondents in Brazil, Burkina Faso, DRC, Indonesia and Peru, where the respective NSCs are seeking ways to fund the DGM.

*[The DGM is] much more than a temporary and experimental project of the World Bank. It's more than the temporary administration of WWF-Peru. It has sufficient legitimacy, relevance, efficiency, social sustainability to continue. It is a national indigenous climate mechanism, which must be legalized, strengthened as a permanent structure. It is an indigenous mechanism for indigenous targeting of global climate funds in Peru. AIDSESEP, CONAP, WWF-Peru presentation*²³

In Indonesia, there was a sense that the investment of time and effort in establishing the DGM will help attract new funding.

If you have a good transparent mechanism in place the people will use it – build it and they will come. AMAN, Indonesia²⁴

Nevertheless, there was also a shared sense that DGM funding was not yet sufficient to meet IPLC needs:

80 million is a drop in the bucket compared to IP needs. It is more important to demonstrate that money can be spent and accounted for, in a way that allows IPs explore their own ideas. GEA team member, DGM Global²⁵

Trust: IPLC organizations implementing sub-projects said trust had been built through the proposal development process in which their ideas were written up into proposals that were funded. It is clear from conversations with NEAs, FIP and the World Bank that there is a trust in IPLCs' ability to co-design projects. Groups involved in the sub-projects also felt trusted to manage them.

Trust in the DGM has been earned and sustained by putting in place monitoring systems that reassure participants that the DGM is fair. In Burkina Faso, a number of proposals were rejected because they were found to have been developed by people external to the community, and others because material was found to have been copied from other proposals. In Brazil, the visits are said to have vetted out proposals that 'were designed in an office'. In DRC, the DGM decided to directly support groups making their applications in anticipation that an open call would lead to too many organizations 'pushing' their existing work on to IPLCs rather than helping them write their needs into plans:

We need to know which organizations are in the field and which are imported from cities or developed areas. After the operators returned to Kinshasa with all the applicants' files, we met to identify which projects are eligible or not. Then we go for site visits to find out which projects are real. NSC member, DRC²⁶

Transparent governance: A big part in building the trust stakeholders have in the DGM has been the World Bank's insistence on transparency of process.

Many NSC respondents were enthusiastic about the importance of transparency and the processes they use to enact it in their role. They say the DGM has provided the means for openness and scrutiny. Transparency is most crucial when deciding which sub-projects are to be funded. In Burkina Faso, all voting members of the NSC spoke strongly about the importance of their processes for administering the calls for proposals and selecting those to be funded. Feedback to unsuccessful applicants was also said to be important in Burkina Faso and DRC to help them understand why they had not been selected.

Many NSC and NEA respondents also refer to the difficulties in contextualizing and using the World Bank's fiduciary requirements, although some said they saw the rationale behind them and valued the importance placed on demonstrating how public funds are spent.

Outcomes for NEAs, GEA and the World Bank

The Learning Review also identified outcomes for other stakeholders who are key to the successful running of the DGM: the NEAs, the GEA and the World Bank. These outcomes further elaborate how the DGM is viable and all key stakeholders are deriving benefit from it, not only IPLCs. A full list of these is captured in Figure ii.

NEAs, GEA and World Bank with improved relationships with IPLCs: As a result of the DGM, the NEA (WWF-Peru) has a much stronger relationship with the two main IP organizations working in the forested Amazonia region. This is matched by NEAs in other countries, especially those that recognize the importance of IPs or LCs for natural resource conservation, such as in Burkina Faso and Brazil. A former World Bank forests adviser who was instrumental in setting up FIP and the DGM thinks that the DGM has improved the World Bank's relationship with IPLCs, and others believe the DGM has allowed them to make the case that IPLCs have become a viable partner option.²⁷

Initially, the DGM raised many internal issues for the World Bank. It was seen as risky, especially with the potential challenges of the procurement model; it took two years of intensive discussion to get the DGM through the approval process. Ultimately, the potential of DGM to deliver benefits to IPLCs and improve their past relationship with the World Bank, which had seen intense discussion around safeguard and settlement issues, was considered sufficient to justify a new and very different approach.²⁸

Reputational risk: NEAs experience reputational risk in the length of time taken to grant funding to sub-projects. In Indonesia, Samdhana Institute prides itself on providing micro-grants (around \$5,000) with minimum red-tape within a few weeks. This has not been possible with grants to DGM sub-projects. The organization has set up a separate arm to manage these so as to protect its brand. The NEA and NSC in Brazil have faced similar difficulties.²⁹

The 41 projects that we approved in the first round were really delayed. There was so much bureaucracy and all these papers from the World Bank that we hadn't known about, and because of this we felt under pressure from the communities. It took away our credibility (both the NSC and NEA) as people were keen to know when things would be approved and when communities could start executing projects. NSC member, Brazil³⁰

IPLCs more accepting of REDD+ and FIP: Some respondents thought that participating IPLCs were moving from suspicion of FIP and REDD+ to understanding that both processes can be leveraged to secure land rights,³¹ with the argument that providing land rights leads to better forest management. A northern CSO observer to the FIP took a different view, suspecting that the reduction in criticism of FIP projects by IP organizations had resulted from their financial links to the DGM.³²

The DGM has led to less IPLC engagement in other FIP projects than initially hoped-for because the DGM generally started later, or, in the case of Peru, before. Individual TTLs have pushed for a programmatic approach to FIPs in DGM countries but without an official directive from the World Bank.³³

Comparing achieved outcomes with the DGM theory of change

Substantive outcomes identified by the Learning Review match well with those indicated in the DGM theory of change (Figure 5). The enabling outcomes and the outcomes for other actors were unpredicted but potentially increase the return on investment in setting up and running the DGM and so should be included in any future impact evaluation of the DGM. The learning review shows that outcomes begin almost as soon as work started in a country, and that the process of setting up country DGMs was an important generator of enabling outcomes. **Attention to process has created enabling outcomes that hold the potential to transform the DGM beyond its specific project objectives toward the uptake of a more inclusive climate or development finance model.**

What are the major insights from implementing the DGM?

Four main lessons from the DGM are explored here. The first covers the catalysts that have propelled the DGM from an idea to a mechanism that operates in and across 13 countries. The next three cover design considerations for establishing a country DGM and present the different pathways countries have taken in their geographic coverage, identifying actors for the NSC and NEA roles, and the selection of sub-projects.

Insight 1: The dynamic driving the DGM at country level

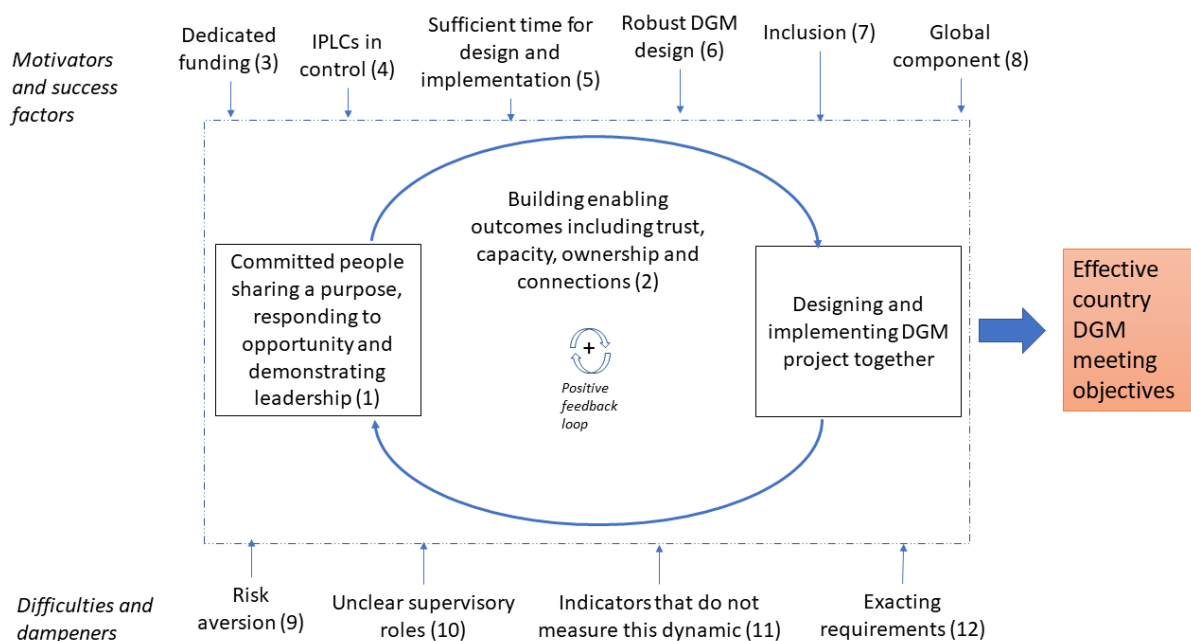
The history of the DGM can be understood as a process in which people committed to IPLC empowerment found ways to pursue an opportunity they recognized could help fulfill this objective (see Figure iii below). This became a self-reinforcing process: **trust** and **social capital** have been built as individuals and organizations collaborated to design and implement projects that met the World Bank procedural and fiduciary requirements and were subsequently funded.

All DGM respondents in the Learning Review valued highly the core feature of the DGM: that IPLCs, through the NSC, act as the principal counterpart to the World Bank. In the countries reviewed, this principle has not been challenged by the inclusion of international non-governmental organizations (INGOs) acting as NEAs, which take fiduciary responsibility for the grants given. However, the DGM's design is also sufficiently robust to allow for adaptations to different country contexts – chiefly, the composition of the NSC, the types and means of procuring sub-projects and the role of the NEA (see next Insight) – and this has helped demonstrate to IPLCs and to governments its relevance in most countries.

Certain aspects have slowed the progress of establishing the DGM. The initial perception at the World Bank that the DGM was too risky led to delays that have at times threatened the DGM process. At the country level, the necessarily exacting fiduciary requirements of the World Bank have caused frustration and delays, (which in turn made it difficult to maintain trust), in part due to the initial lack of understanding at the country of why such exacting requirements were necessary. The procedural requirements have ultimately had unexpected value, however, and IPLC leaders and sub-project implementers mentioned that complying with them gives a 'gold stamp' of approval for the technical quality of the mechanism and/or the sub-projects being delivered through it.

Other difficulties and dampeners include unclear reporting lines, in which the NEA and GEA act as secretariats to the NSC and GSC, respectively, without formally reporting to them; recent funding uncertainty over the future of FIP; and a lack of evaluation methods and indicators to capture and value the enabling outcomes that country DGMs are generating.

Figure iii: The dynamics driving the DGM



Insight 2: Geographic focus, selection and operation of the NSC

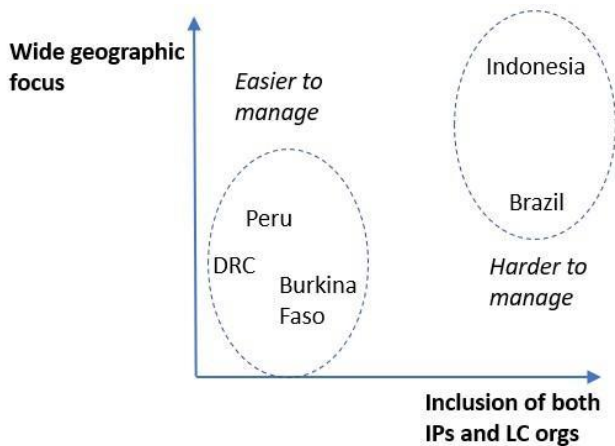
The Learning Review found differences between NSCs established in the six countries in terms of:

- Their geographic focus;
- Whether they build on existing organizations or establish a new institution; and
- Whether they work with IPs, LCs or both.

Covering a large geographic area and selecting and managing an NSC that includes both IP and LC organizations adds considerable complexity to establishing a country DGM. DGM Indonesia lies at one end of the spectrum, working with both IPs and LCs across the whole archipelago of 17,000 islands. Burkina Faso, DRC and Peru lie at the other, with smaller operating areas.

Although working with only IPs or LCs in a geographically well-defined area makes implementing the DGM more manageable, especially in the early stages, it also makes the mechanism less inclusive and, if maintained over the longer term, may be seen as less attractive as a funding pipeline to donors that are seeking larger spatial interventions or more representative inclusion. In countries with strong IP or LC representative groups, such as Peru, the DGM has been able to work through these representative groups, which has helped maintain motivation. Brazil brought several such groups together in its NSC. In Burkina Faso and Ghana, these representative groups are not present, so the NSC has been formed from local level civil society operators.

Figure iv: Geographic spread against the level of inclusion of both LCs and IPs in the NSC



Insight 3: Selection and operation of the NEA

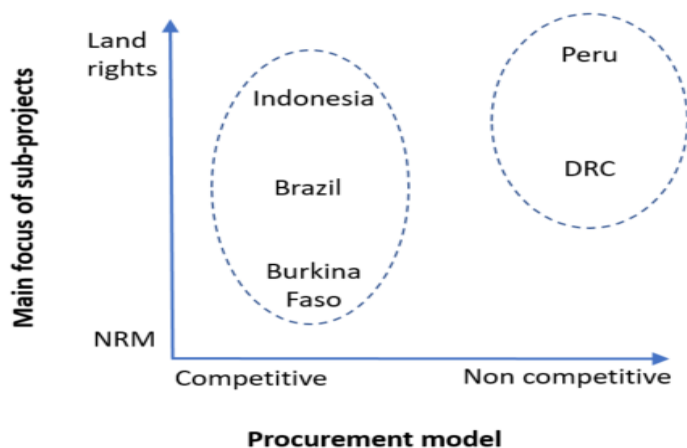
The Learning Review found important differences in the technical capacity of NEAs, their links to IPLC organizations and their role with respect to the NSC. DRC appointed a NEA that did not have prior links to IP organizations; its role is to be a fiduciary (pass-through) agent that will not impose a technical agenda. In contrast, Burkina Faso and Peru operate with INGOs with strong technical capacities in fiduciary management, NRM activities and local-level coordination; these have prior history with IP organizations and can provide technical support to sub-projects.

Review findings suggest the ideal is to appoint an NEA that meets fiduciary requirements and already has strong links to the IP and LC organizations represented in the NSC, as happened in Brazil. If such an organization does not exist, and the IP and/or LC representative organizations are institutionally weak, then the DGM should choose an NEA to function purely as a fiduciary agent to ensure that the NSC is able to set and deliver the agenda for the national DGM.

Insight 4: Selection of sub-projects and the organizations that run them

The NSC is responsible for selecting sub-projects with assistance from the NEA. The Learning Review found that the main differences were 1) whether the country used a competitive or non-competitive procurement model; and 2) the focus of the sub-projects themselves on land rights or on NRM.

Figure v: Sub-project procurement model and focus



The countries fall into two groups: those that use a competitive procurement model and those that use a non-competitive one. Non-competitive procurement allows the DGM to help institutional weaker organizations develop their proposals and strengthen their ability to manage the funds. Competitive calls work better for efficiently choosing the best technical sub-projects.

DGMs in Brazil and Indonesia have encountered a number of delays in awarding sub-projects on the basis of a competitive call, largely because of the volume of interest generated but also because of issues related to compliance with the procurement process that delayed approval for the national project funding.

Key messages and next steps

- The DGM is proving that IPLC organizations can work as direct counterparts with multilateral development organizations, proposing and implementing their own sub-projects. For some, technical counterparts are still required, but their capacity for transparent fund management has strengthened during the life-span of the DGM, as has IPLCs' strong sense of ownership of a mechanism.
- A large part of the DGM's formative success is due to people who recognize the importance of making a commitment to IPLCs and building trust gradually thereafter. The design of and funding committed to the DGM made it an appealing prospect for these people, and this combination has so far encouraged those involved to work through the procedural requirements and maintain commitment during delays.
- There are a number of design considerations for making the most of a mechanism that intends to support IPLCs in different contexts to engage with financial and policy processes. Some of these are:
 - Finding a size and composition of the NSC that is manageable, representative and inclusive;
 - Determining how the NEA can contribute and remain interested in the DGM while being subsidiary to the NSC; and
 - Choosing whether to use an open procurement model for selecting local-level sub-projects, balancing between the potential to achieve greater impact with already technically viable sub-projects or improving the NSC's ability to operate a grant mechanism and focusing on areas of greater need.
- The DGM has reached a crucial juncture where new funding is needed. Country DGMs have demonstrated a keen interest in sourcing their own 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 and to scale up early outcomes identified by the review. 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.
- The DGM holds a wealth of learning on IPLC-led initiatives that should not be lost. The full text of the Learning Review distils some of the most valuable lessons learned, which can inform conversation both within and outside of the DGM. Opportunities for furthering this lesson-learning include future performance evaluation(s) of the global, country and sub-projects, and the forthcoming ethnographic research surveying more extensively IPLC impressions of the DGM.

Guide to the document

Part I: Introduction and methodology

Audience: Of broad interest because the Part provides a framing and context to the results and learning that follow in the remainder of the report.

- Section 1: Introduction – explains the purpose of the document, the DGM and the need for a Learning Review.

- Section 2: Learning Review process – describes the methodology followed, particularly how countries were selected for the review, how data was collected and analyzed.

Part II: Learning from outcomes

Audience: Of interest to anyone interested in what the DGM has achieved to date and may achieve in the future.

- Section 3: DGM Outcomes – Looks at the main types of outcome generated for IPLCs and other stakeholders and compares these against the outcomes predicted in the DGM theory of change.

Part III: Learning from DGM design and early implementation

Audience: Of specific interest to people implementing or benefiting from DGMs, as well as anyone wishing to create a dedicated mechanism. The information provided is rich in detail and description.

- Section 4: Learning from the history of the DGM at country and global level – presents a model of the dynamics driving the DGM and the motivators and dampeners associated with design and implementation.
- Section 5: Learning from across DGM country-level experience – derives insight from comparing how the main components of the DGM have been adapted and function in different countries.
- Section 6: Operation of the DGM’s global component – explores the achievements and challenges of Global DGM, including looking at the DGM’s grievance redress mechanism.
- Section 7: DGM in the context of other funding mechanisms – Identifies other funding mechanisms available to IPLCs and establishes the DGM’s niche and comparative advantage.

Part IV: Practical lessons, messages and next steps

Audience: Of general interest

- Section 8: Key lessons in setting up and implementing a DGM-style DGM - Insight from previous sections used to provide practical guidance on establishing and running a DGM
- Section 9: Key messages and next steps

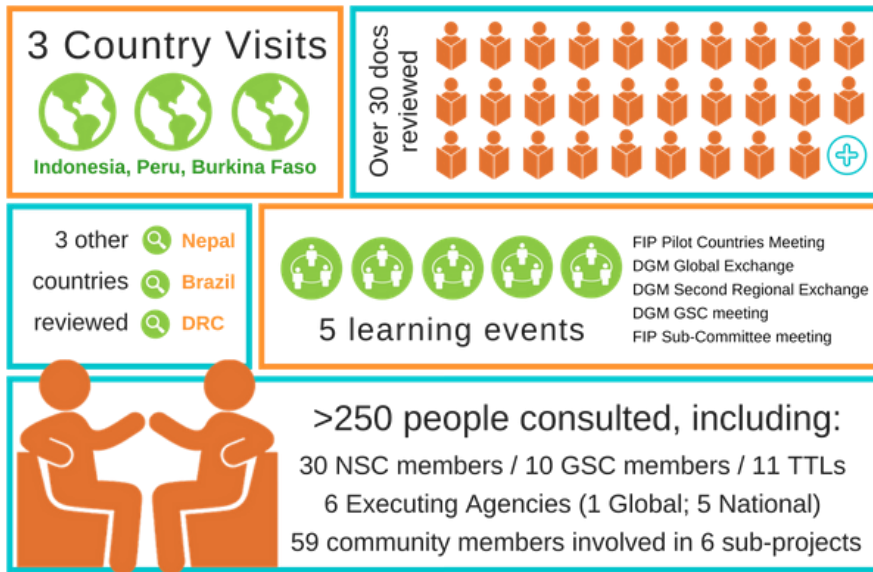
About the Learning Review process:

The Learning Review was commissioned by the CIF Evaluation and Learning (E&L) Initiative in 2017. CIF and the DGM’s funders shared an understanding that the mechanism’s origins and effects held interesting lessons but these were under-served by an absence of independent research or evaluation.

A four-person team from Itad used an Institutional Histories approach to produce a formative exploration of how, over a nine-year period, the DGM came into being and evolved into what it is in 2018. They used a participatory evaluative method, developing learning questions with internal and external DGM stakeholders, and responding to them using a combination of country visits, qualitative interviewing and document review.

For in-depth exploration of the DGM country processes, the team visited the country most advanced (by early 2018) in its DGM implementation in each of the three operating regions: Burkina Faso in Africa, Indonesia in Asia and Peru in Latin America. Three other countries (Brazil, DRC and Nepal) were explored through telephone and in-person interviews. Figure vi provides a quantification of the data collection process. Appendix 1 presents more detail of the methodology.

Figure vi: Learning Review data collection activities



Management Statement on the Learning Review of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities

The Climate Investment Funds (CIF) was established in 2008 to provide scaled-up climate finance to developing countries to initiate transformational change towards low-carbon, climate-resilient development. Channelled through the multilateral development banks (MDBs), the CIF encompass two funds: the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF), which includes three targeted programs – the Forest Investment Program (FIP), the Pilot Program for Climate Resilience (PPCR) and the Program for Scaling-Up Renewable Energy in Low Income Countries (SREP). Contributions above US\$8 billion have been provided to the CIF to fund strategic plans, project preparatory activities and investments in 72 developing countries.

The FIP supports developing countries' efforts to reduce deforestation and forest degradation and promotes sustainable forest management that leads to emission reductions. Indigenous Peoples and Local Communities (IPLC) Observers at FIP design discussions stressed the need for dedicated resources to augment their capacity to participate in FIP implementation. Hence, in 2011 the FIP Sub-Committee approved the Dedicated Grant Mechanism for IPLCs (DGM) identifying the following objectives: i) support specific initiatives of IPLCs in FIP pilot countries that enhance FIP strategies; ii) develop the capacity of IPLCs to participate in national Reducing Emissions from Deforestation and Forest Degradation (REDD+) processes; iii) provide support for strengthening territorial and resource rights; iv) gather lessons from local-level experience and initiate the sharing of successful local REDD+ strategies and innovation; and v) build partnerships and networks of IPLCs to support and strengthen capacities to address the drivers of deforestation, forest degradation and other threats to forest ecosystems.

Through the DGM, FIP made available US\$80 million for community-led projects in FIP pilot countries as well as for an overarching Global Learning and Knowledge Exchange Project.

This document outlines a response by Management at the World Bank—the exclusive implementing agency of this mechanism—to key findings and recommendations from this Learning Review. The World Bank has considered it an honor to champion the DGM by leading its establishment and implementation thereby creating more ownership and building trust by putting project design and funding decisions in the hands of IPLCs, giving them the power to set priorities and implement programs aimed at conserving their natural environment. The overall DGM establishment process was inherently complex and multi-layered, and the World Bank faced challenges putting in place the right governance and delivery mechanisms that would make overall objectives a reality. Yet, driving this process, and remaining steadfast and committed to it, has been worthwhile. In fact, this experience has further emboldened the World Bank as an institution to remain fully committed to its continuation, mainstreaming and scale-up.

In this context, it is very rewarding to witness this learning review's conclusion that the DGM is leading to broader and potentially more transformational effects than its initial theory of change had predicted.

This learning review provides an excellent opportunity to learn from an independent analysis of the history, relevance and early experience of the DGM. It comes at an important and opportune time when the DGM has been implemented for a number of years and its experience can influence discussions on the importance of such mechanisms within the broader climate and development finance architecture.

The framework used by the learning review, in the form of substantive and enabling outcomes¹ derived both from the implementation of sub-projects and as well implementing the overall governance frameworks, reflects well the intention of spending time upfront in getting the mechanism right. Hence, the achievement of outcomes began even before sub-projects had been implemented. Thinking about both substantive outcomes that were core overall objectives, as well as enabling outcomes that allowed the achievement of these objectives and went beyond what was originally conceived, provides a solid framework through which to analyze the DGM.

We are encouraged to see the wide range and high potential for transformative impact stemming from substantive outcomes related to early implementation of sub-projects at the country level. The review outlines that sub-projects under DGM better met community needs, promoted better inclusion of marginalized groups, delivered outcomes more efficiently, promoted better constituency representation and led to greater recognition of IPLC issues at country and global-level, among other outcomes. The review also substantiates that these sub-projects are demonstrating improved land-rights, better natural resource management, and higher income-generating activities.

What makes the outcomes truly compelling are the set of enabling outcomes that went beyond the original expectations from the DGM. The review identifies that intangible dimensions of trust, ownership and transparency went a long way in supporting the achievement of substantive outcomes. We agree that these intangibles provide a strong foundation that can lead to a fundamental shift in how governments, IPLCs and international organizations cooperate and work together to deliver climate goals, enabling lasting, transformational changes that go well beyond project-level impacts. Indeed, this is evident in the high persisting demand and momentum across stakeholders for further scaling-up of the DGM at the national level.

Taken together, these early outcomes provide a powerful and compelling picture of the DGM experience to date. While some of these areas can be difficult to quantify, they are nonetheless critically important for engaging IPLCs more fully and meaningfully in sustainable forest management processes as well as in the wider REDD+ architecture both nationally and globally. We appreciate the overall learning-oriented style and framing of this review, including the engaging and highly descriptive tone of the narrative, which we believe helps to provide richness of detail and supports learning.

Overall, the World Bank management strongly agrees with the independent learning review's affirmation that the early experience of the DGM is generating potentially transformative results

¹ The learning review team defines substantive outcomes as outcomes identified in the DGM theory of change to increase IPLC engagement in FIP and other REDD+ processes; and enabling outcomes as outcomes that contributed to the achievement of substantive outcomes and which were not explicitly part of the DGM theory of change.

across several domains and proving that IPLCs can effectively propose and implement their own projects. We also agree that the DGM is at a pivotal juncture, and that ensuring its continuation is critical so that the current momentum on important, transformative potential of enabling and substantive outcomes is maintained and gains made are not lost.

We have been deeply committed to the DGM since its inception as a mechanism to meaningfully empower IPLCs in playing key roles in decisions that impact them directly. This is a long process that requires sustained efforts. We intend to work closely with the international community to maintain this momentum reached through the initial years of the DGM. We consider it imperative to gain further experience and continue measuring the impact of the DGM, raising awareness of and evidence for successful implementation of this mechanism with the ultimate objective to mainstream it at the local, national and regional levels.

The World Bank management looks forward to working with partners and implementing agencies to find future pathways for sustaining support to the DGM and IPLCs more broadly, as well as working on any implementation adjustments to the current DGM at the global and country levels, as feasible, arising as a result of the lessons and insights generated through this learning review.

We thank the ITAD team, the CIF Evaluation and Learning Initiative, and all DGM stakeholders involved in this review for their collective efforts to generate this set of useful insights and lessons learned, which we believe to be of great value for the World Bank, current DGM partners and implementers, and the wider climate and development finance community.

PART I: Introduction and Methodology

1. Introduction

1.1. Purpose of this document

This Learning Review has been developed as a resource for those interested in the Dedicated Grant Mechanism (DGM) for indigenous people and local communities (IPLCs) run by the Forest Investment Programs (FIP). It provides responses on what stakeholders want to know about the DGM, which can be grouped under two general themes: useful lessons and insight to guide current and future implementation; and outcomes that the DGM is generating.

This Review draws on nine years of experience in designing and implementing the DGM globally and at country level. It is written to be built on in the future. We hope that the quality of learning and insight will provoke a desire in the DGM community to continue to learn, share that learning and improve their worthwhile endeavor, both for themselves and for others.

Although based on the FIP DGM experience, the lessons are presented to be relevant for any institution interested in providing funding to IPLC-led initiatives. It is hoped that, by having access to this information, interested institutions will not have to start from zero in developing a way of working or even a structure for their mechanism. The document should make them aware of success factors to emulate and of difficulties to avoid, and so represent a useful short-cut to more IPLC-led initiatives. The insight and lessons in the document will also be useful to improve existing DGM at country and global level.

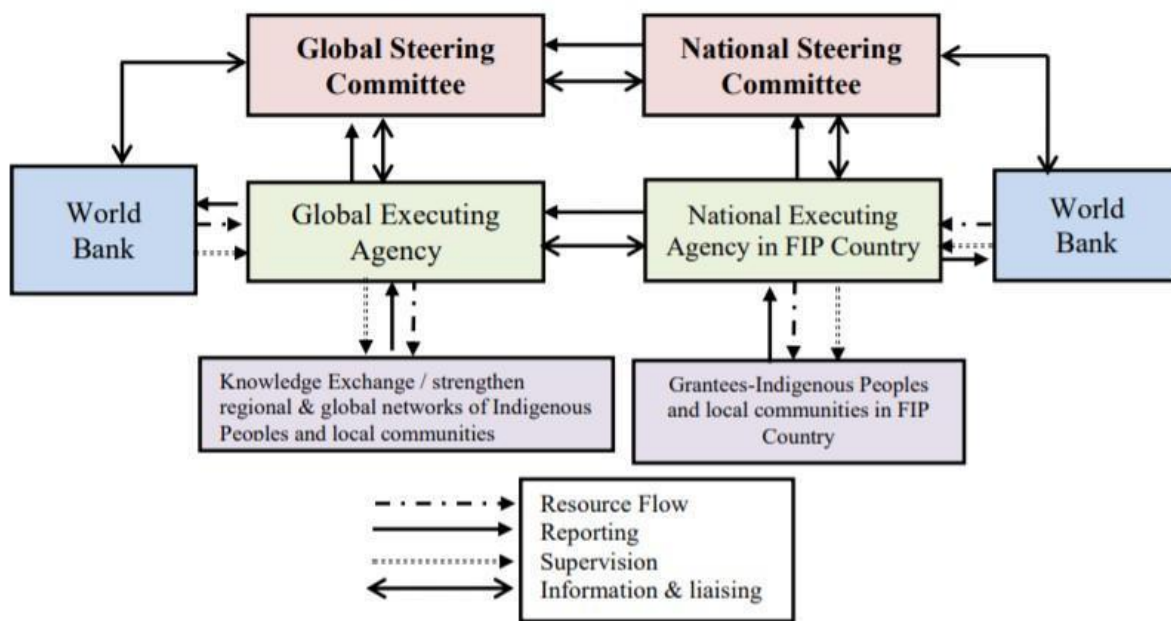
1.2. What is the FIP Dedicated Grant Mechanism?

The DGM was set up as a funding mechanism within the FIP with the following objectives: i) support specific initiatives of IPLCs in FIP pilot countries that enhance FIP strategies; ii) develop the capacity of IPLCs to participate in national REDD processes in general; iii) provide support for strengthening territorial and resource rights; iv) gather lessons from local-level experience and initiate the sharing of successful local REDD+ strategies and innovation; and v) build partnerships and networks of IPLCs to support and strengthen capacities to address the drivers of deforestation, forest degradation and other threats to forest ecosystems.

As detailed further in Section 3, the FIP was created under the Climate Investment Funds (CIF) in 2009 to finance efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so. FIP was set up to link between REDD's readiness phase and the results-based payment phase, providing 'missing middle' investments between these two phases. Both REDD and FIP are international mechanisms linked to national-level institutions; the DGM was created to ensure that the priorities and experience of IPLCs' could be included, rather than overlooked, in these processes. It was also set up in light of a growing acceptance of the need to engage IPLCs if lasting improved forest management is to be achieved.

The DGM was written into the FIP in 2010, and over the course of the following three years its design and architecture were developed such that it could meet the financial guidelines of the multilateral development banks (MDBs) while giving IPLCs control over the funds dedicated to them.³⁴ The mechanism contains both a country component, in which IPLC representatives govern the sub-project grant-making and engage in national-level REDD and FIP processes, and a global component, in which national representatives govern the overall DGM and engage in international climate and forestry processes. The global component also captures and shares learning across the countries. Figure 1 presents this structure.

Figure 1: DGM architecture



The diagram in Figure 1 shows that, at two points, IPLCs’ representation (in the Global (GSC) and National Steering Committees (NSCs)) is supported by an executing agency, serving as a secretariat to facilitate what the steering committee wishes to happen. The steering committees select the executing agencies together with the World Bank.

Eight pilot countries were set up initially, and the first (Brazil) started implementation in 2015. At the time of this Learning Review, Brazil, Burkina Faso and Peru had issued grants to sub-projects, and Democratic Republic of Congo (DRC) and Indonesia are expected to do so by the end of 2018. Only one of the first eight pilot countries (Lao PDR) has not gone ahead. While being very flexible, the DGM works through the World Bank and, like all MDBs, the World Bank needs to engage with national governments. In the case of Lao PDR, complexities associated with the historical legacy between the roles of government and civil society, meant that they experienced challenges in proceeding with their national DGM project.

In 2015, the FIP Sub-Committee (SC) added six more countries and increased the dedicated fund from \$50 million to \$80 million; these countries are at various stages in setting up their DGM. Table 1 shows the current status of the DGM.

Although all country DGMs have the same structure and share similar procedures, the priorities and activities of each have been adapted to the context. IPLC representatives in consultation with the World Bank determine the national DGM design, and the sub-projects that receive grants are designed bottom-up to respond to broad funding categories of natural resource management (NRM), income-generating activities or land-tenure security.

The principle of IPLC determination for the mechanism is one reason why the answer to ‘What is the DGM?’ differs slightly depending on the respondent, and, as shown in Section 3, is important for determining its future. What is clear is that people within and outside the DGM consider the mechanism to be something much broader than an engagement model between IPLCs and FIP and REDD processes. For many, it is a unique mechanism that has great potential for helping IPLCs engage more equitably and proactively in global and national-level initiatives – which may be forestry and climate-related but equally may not be.

Table 1: DGM status as of 2017

Number of DGM country projects with allocated funding	13 + global DGM ³⁵	Brazil, Burkina Faso, Côte d'Ivoire, DRC, Ecuador, Ghana, Guatemala, Indonesia, Mexico, Mozambique, Nepal, Peru, Republic of Congo + global DGM
Number of sub-projects approved	207 ³⁶	Brazil: 63 Burkina Faso: 53 Indonesia: 21 Peru: 70
Number of applications received	Approximately 1346 ³⁷	Brazil: 264 submissions Burkina Faso: 651 submissions Indonesia: 208 submissions Peru: 96 submissions
Number and timing of calls for proposals	4 ³⁸	Brazil: January 2016 and August 2017 Burkina Faso: June 2016 Indonesia: August 2017 Peru: May 2016 and March 2017
Project topics³⁹	<p>Activities to build capacity of IPLCs: Capacity development of managerial and technical capacities of LCs; institutional strengthening of IPLC organizations; capacity development of IPLCs to reinforce their participation in forest and land management processes related to REDD+; increasing community and community-based organization participation in integrated landscape management; strengthening capacity for community-based NRM.</p> <p>Support for legal recognition and land titling of native communities: Native land tenure security and/or land titling in forested areas.</p> <p>Financing mechanisms for IPLCs: Sub-grants to support sustainable and adaptive community initiatives; to strengthen IPLC capacity to enhance tenure security and improve livelihoods; to support development of economic and sustainable NRM; for community-based NRM.</p> <p>Administrative and financial management of country projects: Support to National Executing Agency (NEA) for country project governance, coordination, management and sustainability, as well as monitoring and evaluation (M&E); increasing NEA's capacity to implement development activities for IPLCs and consolidate feedback.</p> <p>Capacity-building to improve policy processes and dialogues and advocacy: Engagement of NSC members and other emerging IPLC leaders in policy processes related to REDD+, forest resource management, secure land tenure and IPLC livelihoods; support for communication and advocacy about forestry management.</p> <p>GRM: Not a country project component. Many country projects implement the mechanisms along with their sub-project implementation activities.</p>	
Number of NSCs set up	9 NSCs and 2 Interim Steering Committee ⁴⁰	
Average size of NSC	13 members ⁴¹	
Total number of voting members in DGM	121 voting members ⁴²	

Average % of women in NSC	27% ⁴³	
Average % of men in NSC	73% ⁴⁴	
The Global Learning and Knowledge Exchange Project (DGM Global)		
Project approval date	3 March 2015	
Project implementation end date	20 June 2020 ⁴⁵	
Led by DGM GSC	10 members ⁴⁶	9 DGM country representatives, 1 non-FIP representative
DGM Global components⁴⁷	<p>Global learning, outreach and information-sharing: Global, regional/sub-regional training workshops; knowledge resources for IPLCs; strengthening capacities of regional/global IPLC organizations and networks; communications and outreach; and database of the DGM's activities, knowledge products, events and results.</p> <p>Technical assistance and secretariat services to the DGM GSC: Facilitate the process of establishing the GSC; secretariat services for the GSC; managing partnerships and external relations; Grievance Redress Mechanism (GRM); and adaptation/revision of the DGM operational guidelines.</p> <p>Planning, monitoring and reporting: Strategic planning for DGM Global; monitoring of the DGM's performance; reporting the DGM's results; rules of procedure for the GSC; provisional workplan and budget for the first year of DGM Global.</p>	

1.3. The need for a Learning Review

The CIF Evaluation and Learning (E&L) Initiative (see Box 1, below) commissioned Itad in 2017 to create a learning partnership for the DGM. The motivation came from a sense that the mechanism's history and outcomes held valuable lessons for its own future and for all organizations interested in IPLCs' involvement in REDD.

The Terms of Reference (ToR) stated that the purpose of the learning partnership was 'to enable real-time learning and evaluation on the design, implementation and outcomes of the DGM in order to inform ongoing and future strategy or replication decisions'. The ToR went on to say that 'overall, the partnership will seek to identify how and in what ways the DGM and DGM-like mechanisms are, or can, address the DGM's core objective: to build capacity and empower forest dependent communities so that they have a greater role in the design and implementation of forest policies and programs which impact them.'⁴⁸ The ToR stipulated participatory learning at community, national and global scale, in keeping with the DGM's principles and structure.

Itad's response was to carry out a Learning Review. A Learning Review was needed because the DGM had not been the focus of an independent study, nor had there been an attempt to collate the experiences of those involved in setting up the mechanism, some of whom have already left the DGM. The team carried out the Learning Review to be inclusive as possible so that the Learning Review process and output could support and strengthen existing learning mechanisms within the DGM, specifically those run by DGM Global.

Although the DGM contained a learning function, this was largely focused on sharing knowledge that supported IPLCs in their technical roles, such as policy engagement and NRM, rather than formally

capturing ways to set up, deliver or improve the mechanism. Furthermore, while the DGM's quantifiable activities and outputs were well captured by the global component of the DGM, there had not been any attempt to identify and understand DGM outcomes generated by setting up and using the mechanism at country and global scale. In short, as one senior World Bank employee said at the start of the Learning Partnership, *'The DGM is FIP's best kept secret.'*

Box 1: The Climate Investment Funds' Evaluation and Learning Initiative

CIF was founded with the mandate to serve as a learning laboratory for scaled-up climate finance. The CIF E&L Initiative is helping fulfill this mandate through a range of strategic and demand-driven evaluations covering some of the most important and pressing challenges facing climate finance funders and practitioners. Drawing on experience from across the CIF portfolio of investments in clean energy, forests and resilience in 72 developing countries, the E&L Initiative uses evaluation to enable learning that is relevant, timely and used to inform decisions and strategies, for both the CIF and the wider climate finance sector.

Over 30 studies and activities commissioned by the E&L Initiative are being completed in 2018/19. Evaluations are undertaken with high stakeholder engagement and a focus on applied learning opportunities. Each evaluation is guided by an expert Advisory Group that includes representatives from MDBs, donors, recipient countries, CIF Observers, the CIF Administrative Unit and external experts.

The E&L Initiative addresses four themes: transformational change; local stakeholder engagement and benefit; CIF design and approach; and private sector investment. This Learning Review addresses the first three. CIF has its 10-year anniversary in 2018 and lessons learned from the E&L Initiative, including those from the DGM Learning Review, will help plan for the future.

2. The Learning Review process

This section describes the overarching approach to the Learning Review, including data collection tools analysis and synthesis. The full methodology for the Learning Review can be found in Appendix 1.

2.1. Methodological approach

Itad used an Institutional History (IH) approach to develop an account of how the DGM had evolved from its conception to the present day. An IH is a narrative of a timeline that describes how key events and processes lead to changes in institutional arrangements (*i.e.*, new ways of working) over time.⁴⁹ The team worked with two: one for the global component of the DGM and one for the country DGMs considered in the Learning Review.

In the language of Process Tracing,⁵⁰ from which the IH approach borrows, an IH establishes causal inference by focusing on unfolding of events or situations over time. It depends on good description of events and their significance as the starting point for analysis of change and sequence. To ensure 'good' descriptions of events, the IH approach also draws on case study methodology. Case studies amass 'thick descriptions' that help draw out and synthesize insight and lessons for participants and partners as well as for others in similar circumstances.⁵¹

Our approach is actor-oriented in that we assume change is caused by or through the actions of actors, whom we identify and credit as part of the analysis. Part of our analysis has been to check that our interpretation of what key individuals have told us represents what they meant to say.

The IHs framed our focus, scope, top-level questions and the way in which we interacted with Learning Review participants. The IH approach was chosen for its ability to engage a wide range of DGM stakeholders (from IPLCs and NEAs to the World Bank and FIP funders) in discussions around a shared subject to which the majority of participants could be expected to have a strong level of buy-in. The IH approach allowed the team to gather information and hold initial interviews to cover the learning questions suggested in the ToR (which largely focused on the set-up and evolution of the DGM) while remaining open for areas of deeper insight to be determined by participants later in the process.

2.2. Country selection

Limited resources meant the Learning Review could consider only a sub-set of FIP countries. We selected two of the most advanced countries in Africa, Asia and Latin America on the basis that there was most to learn from countries that had progressed the furthest. We selected one country from each region for country visits (Burkina Faso, Indonesia and Peru), thus fulfilling the requirements of the ToR to visit a DGM country in each of the three regions of the DGM. In order to gain a broader understanding of the DGM process, and contrasting country processes, we also selected a second country in each region (Brazil, DRC and Nepal). We did not visit these countries but instead conducted a small sample of interviews and document review. Lao PDR was not available for selection because, despite being one of the first eight DGM countries, the government had decided not to proceed. Nepal was selected instead, becoming the only second-round country (*i.e.*, one of six DGM countries that started later) considered in the Learning Review. While the NSC had not been selected as of February 2018, and implementation had not begun, Nepal allowed us to explore differences between first- and second-round processes. The same data collection approach was followed as for Brazil and DRC.

2.3. Two-step process of question development

CIF and the Itad team began promoting engagement in a learning partnership from September 2017 onwards. This involved email correspondence, presentations and learning events at FIP/DGM meetings, as well as group calls. The team's initial expectation was that engaging with stakeholders at community,

country and global levels would create a cohort of people interested from the outset in engaging with selecting learning questions and in the review findings.

As anticipated in the design stage, however, it proved easier to arrange the participation of those at the global level – those in the GSC and the Reference Group and World Bank DGM task team leaders (TTLs) – as they are located in two to three countries with better communications. Based on advice from the GSC, the team agreed a set of Learning Questions based on the participation achieved, which became the basis of the Inception Package (see Appendix 1).

The team achieved much greater community- and country-level participation during ‘Deep Dive’ visits to three countries (see below), where the team was able to meet with IPLCs and NEAs in person. During these visits, the team asked what questions the participants wanted the Learning Review to answer. These views were reinforced when the team presented its early findings to the GSC meeting in Washington, DC, in April 2018.

This report responds to the main questions from both steps, which essentially make up the sections in this Learning Review:

- What insight can be gleaned from the history of setting up and implementing the DGM?
- What insight can be derived from comparing country-level DGMs?
- How has DGM Global been working?
- What outcomes has the DGM generated for different stakeholders?
- What is the niche that the DGM fills compared with other funding mechanisms available to IPLCs?
- What are the key lessons for successfully setting up and running a FIP-type DGM?
- What are the strategic issues facing continued and expanded use of the DGM at country and global level?

2.4. Data collection

The responses to the learning questions are based on data collected from a range of sources, including interviews, document reviews, group learning events and ‘Deep Dive’ country visits (see Appendix 1 for full details). Figure 2 summarizes the quantity of data collected over the course of the Learning Review.

Figure 2: Data collection activities in the Learning Review



The team purposefully selected for field visits one of the countries furthest advanced in the DGM roll-out in each of its three regions of operation: Burkina Faso for Africa; Indonesia for Asia; and Peru for Latin America. During these field visits, the team interviewed NSC members, NEA staff, World Bank and FIP counterparts and those outside of the DGM who might hold a perspective on how it was being implemented. Sub-projects were underway in two of the three visited countries, and the team members visited sub-project sites and held focus group discussions with those implementing, benefiting from and/or neighboring these sub-projects. A second country in each of the three regions was selected for data collection via telephone interviews; these were Brazil, DRC and Nepal.

'Deep dives' were conducted between February and April 2018. On completing these, the respective team members documented their initial reflections to share with interviewees for their comments and feedback. For Indonesia and Peru, country reflection reports were developed and emailed to participants. For Burkina Faso, the deputy team leader presented and discussed his reflections with the NSC and NEA while still in country (see Appendix 4).

2.5. Analysis and synthesis

Information was organized to construct IHs for the global process and for the six countries reviewed.

The team analyzed data using a 'grounded' theory approach that involved iteratively developing understanding and insight by going backwards and forwards between analysis and data collection.⁵² The team members involved in data collection independently looked through the findings seeking surprise, patterns or key learning. We looked particularly for differences between countries to understand how the DGM is able to adapt to context and how this influences outcomes. After carrying out the individual analysis, the team met for three days to triangulate, discuss, critique and ultimately agree findings and how to present them. The findings and insights were further refined during the subsequent report writing and reviewing process.

2.6. The presentation of findings in this report

The Learning Review is written primarily for people who want to learn from the practical experience of designing and implementing a dedicated grant mechanism. The Review aims to develop, share and provoke learning. We see the Learning Review as 'holding up a mirror' to the DGM - an opportunity to reflect on what has worked well and what has not.

It is not written as a traditional evaluation report but does make use of evaluative thinking to support DGM participants as they reflect on their practice, think critically and ask questions about why the program operates as it does.⁵³

The report has been written to be as clear and jargon-free as possible. It uses the active voice and is specific about who did and said what. The people interviewed are credited with their thoughts and ideas, and findings were presented back to the main sources in advance of publishing the report to check that their perspectives were captured correctly. Findings are presented in an open framework to share and compare experience and outcomes between country DGMs.

Rather than delivering a set of conclusions and recommendations, the focus is on generating learning and insight, leaving it to DGM stakeholders to draw significance for their work, and, in the debate that this generates, to strengthen incipient learning partnerships within the DGM.

The report is structured into four parts. It is not meant to be read from beginning to end – rather readers may wish to go straight to a particular Part or Section. The structure is as follows:

Part I: Introduction and methodology

Audience: Of broad interest because the Part provides a framing and context to the results and learning that follow in the remainder of the report.

- Section 1: Introduction – explains the purpose of the document, the DGM and the need for a Learning Review.
- Section 2: Learning Review process – describes the methodology followed, particularly how countries were selected for the review, how data was collected and analyzed.

Part II: Learning from outcomes

Audience: Of interest to anyone interested in what the DGM has achieved to date and may achieve in the future.

- Section 3: DGM Outcomes – Looks at the main types of outcome generated for IPLCs and other stakeholders and compares these against the outcomes predicted in the DGM theory of change.

Part III: Learning from DGM design and early implementation

Audience: Of specific interest to people implementing or benefiting from DGMs, as well as anyone wishing to create a dedicated mechanism. The information provided is rich in detail and description.

- Section 4: Learning from the history of the DGM at country and global level – presents a model of the dynamics driving the DGM and the motivators and dampeners associated with design and implementation.
- Section 5: Learning from across DGM country-level experience – derives insight from comparing how the main components of the DGM have been adapted and function in different countries.
- Section 6: Operation of the DGM's global component – explores the achievements and challenges of Global DGM, including looking at the DGM's grievance redress mechanism.
- Section 7: DGM in the context of other funding mechanisms – Identifies other funding mechanisms available to IPLCs and establishes the DGM's niche and comparative advantage.

Part IV: Practical lessons, messages and next steps

Audience: Of general interest

- Section 8: Key lessons in setting up and implementing a DGM-style DGM - Insight from previous sections used to provide practical guidance on establishing and running a DGM
- Section 9: Key messages and next steps

PART II: Learning from DGM Outcomes

3. DGM outcomes

3.1. Introduction

This section identifies and describes outcomes for the main DGM stakeholder groupings: for IPLCs; for NEAs; for the GEA; and for the World Bank and FIP. This will provide the reader with a sense of direction of the DGM towards impact. The section is written acknowledging that it is too early to expect large-scale impact on the ground, given that DGM country projects have been operation for three years at most, and local level sub-projects for even less time.

Outcomes are understood to be changes in condition, behaviour, capacity and/or motivation of individuals, groups and/or organizations⁵⁴ resulting from developing and using DGM outputs. Impact encompasses the more aggregated changes to which these outcomes contribute, such as increases in income and better-managed forests.

DGM results include DGM outputs, outcomes and impact. At national level, the main output is that DGMs are funding community-level sub-projects, or are organizing to do so. At the global level, the main output is a coordinating function that supports the country-level DGMs as well as providing a platform by means of which IPLC representatives can engage in global processes.

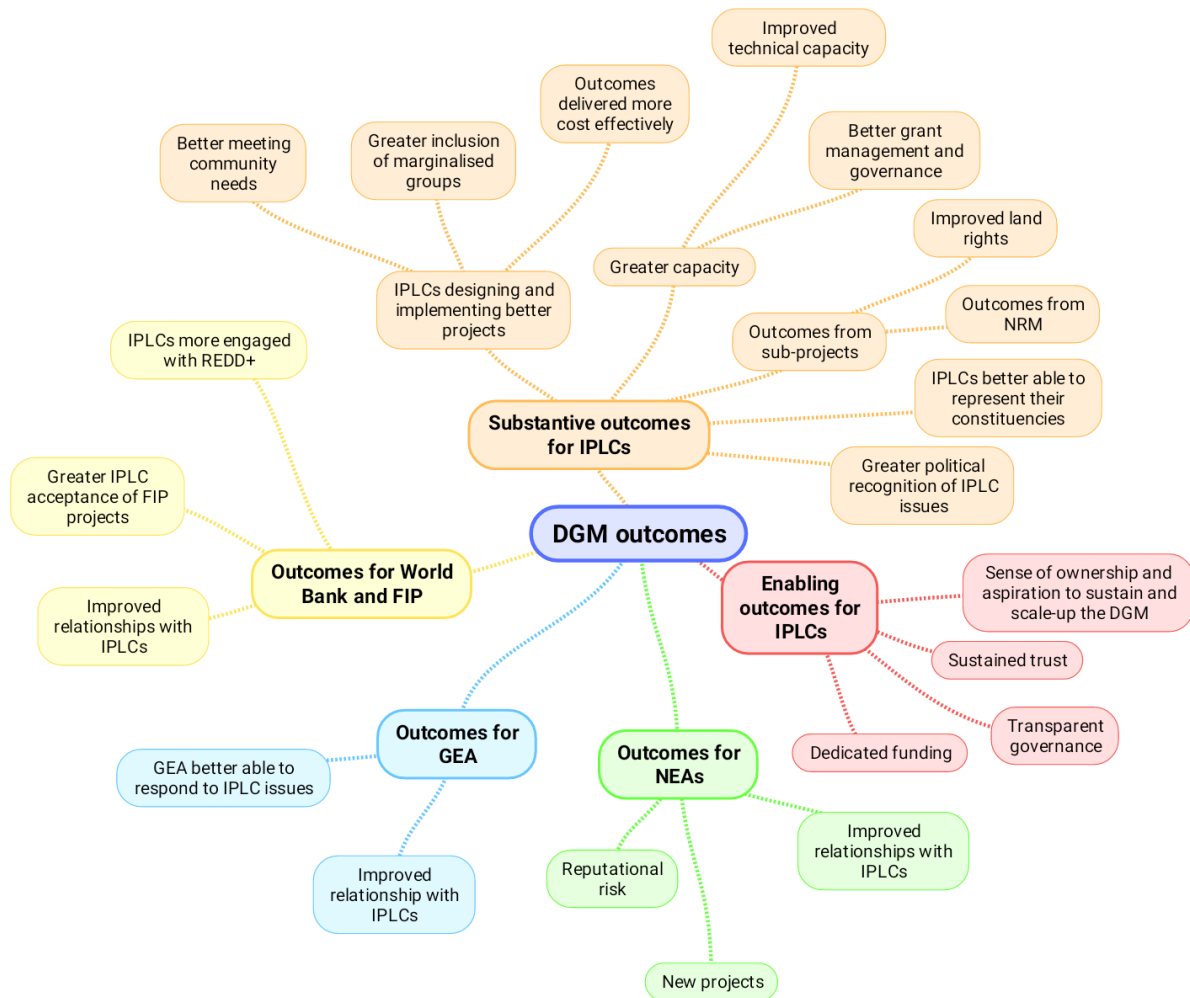
This section builds on the finding in the previous section that country-level DGMs are pursuing two interlinked impact pathways:

1. Project pathway - Impact through the cumulative contribution of sub-projects that are funded and implemented on the ground; and
2. Empowerment pathway - Impact through strengthening IPLC organizations to better manage funds, represent their constituents and raise IPLC issues at a global level.

This section also distinguishes between **substantive** and **enabling** outcomes. For example, the substantive outcome of a community receiving rights to its ancestral lands results from, and builds, enabling outcomes such as greater motivation to pursue collective aspirations and the trust to do so. Enabling outcomes are important because they contribute to other substantive outcomes – they can have ‘spill-over’ effects.

Figure 3 shows the DGM outcomes for the key stakeholder groupings; this section follows the structure of the diagram. At the end of the section, the outcomes found by the Learning Review are compared and contrasted with the outcomes expected in the DGM ToC.

Figure 3: DGM outcomes for different stakeholder groups



3.2. Outcomes for IPLCs

The previous sections suggest IPLCs are enjoying two substantive outcomes from both the project and the empowerment pathways. Project pathway outcomes are IPLCs designing and implementing better sub-projects; and accumulated outcomes from sub-projects. The empowerment pathway outcomes are IPLC organizations better able to represent their constituents; and greater political recognition of IPLC issues. Empowerment pathway outcomes are the result of the negotiation, design and implementation of country DGMs, as opposed to outcomes resulting from using the mechanism itself (project pathway). These four substantive outcomes are supported by a number of enabling outcomes, discussed in turn below.

3.2.1. IPLCs designing and implementing better sub-projects

In the three countries that have funded sub-projects, respondents said they were better than typical development activities in three areas: in meeting community needs; in being inclusive of the interests of the whole community, in particular women; and in producing outcomes more cheaply.

Sub-projects better at meeting community needs

A number of respondents said that community needs and wishes were better met because they were developed by representative organizations such that community members were involved in the design and considered co-implementers rather than simply beneficiaries. IPLCs are more likely to be passive beneficiaries in interventions run by NGOs or government on their behalf. In Peru, the NEA coached IPLC organizations to be more responsive and communicative with communities involved in sub-projects. In Brazil, Burkina Faso and Peru, those developing the proposals, including community members, appear to have developed improved skills for converting needs into sub-project proposals to address these.

It has allowed us people to elaborate projects according to our specific contexts and interests and reflecting our diversity and the different ways that our different communities do things. NSC member, Brazil⁵⁵

The analysis is always done by people who live in these communities [...]. And so, in terms of the NSC, this is a great gain, because generally when you apply for project funding from elsewhere the analysis is done by a technical member of staff who has never even stepped foot in a traditional community. NSC member, Brazil⁵⁶

In Burkina Faso, several communities said they had used DGM guidance to improve the design of other interventions. A shea butter producers group, for example, said it had used the DGM training to plan, cost and risk-assess a kitchen garden proposal; others had put together plans that included their health and education needs. Communities involved in the sub-projects visited in Burkina Faso (five out of fourteen of the first call for sub-projects) said they had advised neighboring groups on project design for the second call, and had received recognition of their technical ability to do so because their proposals had been selected. It appears, though, that the greatest capacity currently resides in the community representative, who in some instances was perceived as winning the sub-project for the community.

Greater inclusion of marginalized groups

The DGM procurement guidelines stipulate that sub-projects must engage women in proposal design and include them as co-implementers. The designers and selectors of sub-projects appear to have heeded this well. Peru has funded 26 women-led sub-projects (a third of the total number of productive sub-projects), and Indonesia has several under review. In Burkina Faso, four out of fourteen sub-projects funded in the first call came from women's groups, and at least two others are centered around activities that women lead, such as soumbala seed production and weaving. It can be presumed that women designed these, and in the examples visited they had. In Brazil, an NSC member referred to specific natural resource activities that were designed and driven by women based on their knowledge of seeds and planting techniques, which the women transferred to the men during the implementation of the sub-project.

The DGM is an opportunity for CONAP's organizations to manage projects and make visible the participation of women in projects even from design, since usually the leadership consists of men. NSC member, Peru⁵⁷

TTLs, NEA staff, NSC members and community members identified illiteracy, or the inability to write a proposal, as one of the major challenges to accessing the DGM. In Indonesia, the NSC chair said that fewer proposals had come from areas where organizations were not able to write the proposal in the format provided, and in Burkina Faso those without literate persons in their communities or extended families were said to incur additional costs through the use of external proposal writing services.

The DGM has made an effort to incorporate other groups at risk of exclusion. In DRC, the NSC set up a system to support people developing sub-project ideas, aware that similar groups had faced difficulties in the past in applying to calls for proposals in other sectors. Supporting organizations' applications was suggested in Indonesia as a modification for the second and third calls for proposals. In sub-projects visited in Burkina Faso, groups read out proposals to illiterate people to check they had been developed in accordance with past discussions.

Outcomes delivered more efficiently

In Peru, the DGM's participatory and inclusive approach has allowed Saweto DGM-Peru to develop a low-cost approach to land-titling that AIDSEP and CONAP are now requesting other donors to adopt.⁵⁸ This approach involves IP organizations working alongside local government to facilitate the recognition of communities' claims to their ancestral land. It is said to cost 50% less⁵⁹ than what it costs other organizations because it makes more use of community members and representatives in mapping and characterization work; other organizations employ relatively expensive consultants. Also, this approach shortens lines of communication by making community members co-implementers as opposed to being beneficiaries.

We know that the indigenous organizations are happy with it [Saweto DGM-Peru] with how it has been implemented and created because they have been funded and involved since the beginning. It is something that they are asking the government and other funds implemented in the country because there are many others aimed at titling 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. DAR, Peru⁶⁰

At the time of the Learning Review, Saweto DGM-Peru had facilitated 133 communities to achieve recognition of their claims to land. Furthermore, the government has leveraged the DGM and its unique design to raise other funds including from several European donors.⁶¹

3.2.2. Greater capacity

Providing training and capacity development in leadership, management and technical skills to IPLCs at country and global levels is an important part of the DGM ToC.⁶² The Learning Review found two areas capacity had been developed.

Better grant management and governance

Attempts to build the capability of IPLC organizations and communities to manage funds varied across the five effective countries.

One of the most important outcomes of the DGM in Peru is having built the capacity of IP organizations to be able to manage and report on expenditure of funds at a standard acceptable to the World Bank. For some of the institutionally weaker IP organizations (*e.g.* Organización Central de Comunidades Aguarunas del Alto Marañón, OCCAAM, or the Central Organization of Awajún Communities of Alto Marañón), it has allowed them to lead technical sub-projects for the first time, where previously they had been given sub-contracts. Overall, it has built donor trust in both AIDSEP and CONAP, the two national-level umbrella organizations to which the implementing IP organizations are affiliated. Some IP organizations are using the new capacity, and the DGM model of working, to look for new funding (*e.g.* Organización Regional de Pueblos Indígenas de la Amazonía Norte, ORPIAN, or the Regional Organization of Indigenous Peoples of the Northern Amazon).

In Burkina Faso, sub-projects are building community capacity to manage funds. Communities are engaged in the book-keeping, monitoring and reporting for their sub-project. However, a significant proportion of the work is supported by local people outside of the community groups, such as

government agricultural technical workers, accountants, social workers and the local NSC member (acting as a focal point). The process of reporting takes the local actors three months before they send outputs to the NEA, which conducts separate auditing for its upward reporting to FIP and remains on call during the report development.

The guidelines book is so big that we find it difficult to respect everything in there, so we rely on the NSC focal person for advice, and if he can't answer we go to the NEA. Shea butter producer group, Burkina Faso

In Brazil, the NEA performs the financial management for the sub-projects, which some NSC members appreciated but others said had limited the potential for capacity-strengthening.

It isn't all communities that don't have capacity to deal with the financial elements of DGM, and there could have been an opportunity for them to do this part of the implementation themselves, giving them the chance to [...] gain experience in financial management. NSC member, Brazil⁶³

In both Brazil and Burkina Faso, participants from the pre-selected sub-projects participate in a five-day workshop on project management, which covers the management of the sub-project and skills, such as fund-raising, that may be useful for the community beyond the DGM.

The NEAs are said to help NSCs meet the compliance requirements (in many cases acting as a buffer), but they also support more general organizational skills in the NSC. This support goes beyond the discrete training the NEAs provide to the NSC and includes on-the-job learning through implementation.

In DRC, where improving IPLC governance is said by some to be the main objective, the NSC selected Caritas as a junior partner in order to learn from its procedures and processes. In Burkina Faso, the NEA had prior experience in managing procurement procedures similar to the World Bank's and has built the capacity of the NSC to such a point that the NSC said they 'validated each other' through defined roles and step-by-step processes.

Improved technical capacity

All DGM countries aim to improve the ability of IPLCs to carry out NRM and/or to develop livelihoods that are sustainable in their natural contexts. Unlike with grant management capacities, this is an area where IPLCs are recognized as already having strong technical skills, and respondents largely talked about their DGM scaling or mobilizing existing capacities or demonstrating more efficient processes.

We have identified in Brazil that it is these communities (indigenous, quilombola, traditional) that have preserved and conserved the Brazilian Cerrado, the native vegetation, and prevented fires and deforestation, and so there is nothing more just than to reinforce the actions of these communities by supporting these sub-projects. NEA member, Brazil⁶⁴

In the past, many people thought that indigenous peoples didn't have cultural values or intellectuals. However, with DGM when there are meetings, IPLCs representatives try to demonstrate why they are the holders of forests. IPLCs share their experiences and contribute their knowledge on how to live with a forest. IPLCs demonstrate how they manage sustainably the forest and its resources, because if the forests were not well managed they would no longer exist. NSC member, DRC⁶⁵

The DGM supports awareness and knowledge building through capacity strengthening on tested NRM techniques. In Burkina Faso, communities involved in DGM sub-projects said the training had greatly improved their knowledge of activities that they are now applying locally. Through provision of equipment, the DGM was also said to be supporting them in doing more of what they used to do; a local forestry protection group said that the DGM had increased their monitoring of tree-cutting to at least one site per week through the provision of bicycles and a maintenance allowance and, through training, had improved the quality of the information and justification the group provided for not felling trees. Another community had had their forest-fire prevention group strengthened.

As with grant management capacities, in some areas NRM capacities are also said to require greater attention to ensure they are fully developed in the community.

This project could be improved by providing more technical assistance and more training for beneficiaries. ORPIAN delivers the fingerlings and then monitors but there is no permanent technical assistance in the communities and it is still necessary. ORPIAN, Peru⁶⁶

3.2.3. Outcomes from sub-projects

Improved land rights

Securing recognition for 133 communities' claims to approximately 400,000ha of ancestral land is arguably the main outcome generated by DGM sub-projects as of 2018. These communities now have a stronger legal position to protect their land against encroachment by economic migrants or mining companies. They can also further the development of these lands with greater confidence that advances will be maintained.

People no longer have to worry so much when a company wants to enter. The challenge for AIDSESP becomes how to ensure economic and environmental sustainability in the development that follows? We want to contribute to a healthier development, respecting rights, seeking environmental justice [...]. NSC member, Peru⁶⁷

Land tenure security (including land-titling) promises to be an important outcome area in other countries, too. Indonesia's sub-projects, when funded, will all be on aspects of land tenure security. In DRC, the DGM is supporting representatives to engage in the National Land Titling Reform processes for the first time; their engagement takes place at the provincial level as a strategy to overcome the fact that the land reform coordination body has limited capacity beyond the national level and funding shortfalls for roll-out of the policy. So far, the support is said to have allowed the IP representatives to be involved in the mapping of their areas, with plans to involve IPs in monitoring the land tenure security process in future.⁶⁸

In the past, IPs representatives didn't even reach the administrative centers of their provinces; the DGM has enabled them to meet the highest authorities in DRC. NSC member, DRC⁶⁹

The NSC in DR Congo sees the issue of land rights as particularly important for women, especially if land and property are owned by their husbands and passed on to other males through inheritance:

That's the real question: how will indigenous women produce without land? Up to now women do not own land and that's why we are working to ensure that those in the Congo basin and conflict zone have legal instruments and ownership certificates. NSC member, DRC⁷⁰

As both examples show, in all the countries pursuing land rights, these are not considered an end in themselves but a means to achieving greater development benefits, including natural resource protection.

Outcomes from natural resource management and income-generating activities

The DGM has funded sub-projects working on NRM, income generation, links to markets and threats to the region (Brazil). There are indications of positive outcomes resulting from these sub-projects, even though most had run for less than two years as of February 2018. This is an area for further validation during any future evaluation of the DGM.

In Brazil, the NEA spoke about a sub-project carrying out water source rehabilitation that had yielded quick wins, and NSC members spoke of other sub-projects where IPLCs were rehabilitating forest⁷¹ or depleted land given back to them from the government.⁷²

There is one project that we have had the opportunity to visit where the DGM actions [...] to construct protective basins, protection from erosion runoff, have already had an effect on the community's water supply. This is a community that had its water source completely undermined by the monoculture of eucalyptus in the higher parts of land - which brought with it the drying up of water resources. NEA member, Brazil⁷³

The communities reported that this year they haven't needed to go and excavate sand from the water source, and this excites them as they can see the results and can increase these actions in other water sources and springs in their territories. NEA member (same as above), Brazil⁷⁴

In Burkina Faso, a shea butter producers group said that a DGM sub-project had helped it reduce its firewood consumption by two thirds: the group now has sufficient quantities of shea seed waste to burn instead of firewood.

All but one of the producers groups involved in the sub-projects in Burkina Faso said they had seen large revenue and income increases compared with what they used to earn from the same activity. (The exception was a group that had yet not completed its activities.) Shea butter producers said they had previously struggled to earn the equivalent of \$5 a day each and were now earning \$20. Two soumbala producer groups had seen three and fourfold increases in the amount each woman earned in a day.

In each instance, the producers group had increased its revenue generation as a result of a combination of increases in production and price, and the groups said they had achieved this with technologies and practices that had lightened the workload, increased the hygiene of their goods and improved the packaging, allowing them to supply new customers. In the case of shea and soumbala producers, these were now export customers, and others were sending their produce to Ouagadougou. At the time of the visit, none of the producers groups in Burkina Faso had a constant demand for their improved produce, and they were still working on a per order basis.

The communities in Burkina Faso are less remote than IPLCs in Brazil, DRC, Indonesia and Peru; their closer connections to markets and transport links may make it easier to increase incomes. In Brazil, NSC representatives referred to the level of support provided to help standardize babassu production –in harvesting, packaging and transport techniques – so the communities' products can reach a local market.

In Burkina Faso, the Learning Review found positive interaction between DGM-supported NRM and income-generating activities. Maize producers said they now knew the value of trees for canopy cover and manure production, and, because of this, they no longer fell and log the trees on their land. Income generated from the maize means they no longer need the money from logging trees. When asked, all communities said they did not want to return to their old damaging practices, even if there were a downturn in their income. However, wider conversations with local community experts suggested

communities have to resort to resource exploitation when faced with economic hardship, such as from periodic drought.^{75, 76}

A less positive finding is the rapid adoption of growing or production techniques that place greater demands on natural resources. In Burkina Faso, participants of all four of the sub-projects visited, and people from the neighboring areas, mentioned regular shortages of water, and some production techniques had significantly increased water usage. One of the communities processing locally grown tree seeds had had to outsource its supply from other areas to meet demand. These examples are particular to Burkina Faso because of its proximity to the Sahel, but they provide useful considerations for balancing income improvements with natural resource utilization in other drought-prone areas and in the face of future climate change.

Box 2: Sharing the benefits of local-level DGM actions

DGM-Burkina Faso provides valuable lessons on the importance of sharing the benefits of local sub-projects and ways to facilitate this. The sharing pathways encountered by the Learning Review are both intended (arranged by the project) and unintended (based on initiatives taken by the community). Knowledge, funds and technologies were found to be shared. Figure 4 illustrates these.

Sharing of knowledge

The NEA and NSC set up and facilitate a peer-to-peer sharing network between the 14 sub-projects, which brings implementers (some of whom share the same livelihood or products) together from across five FIP regions. Community sub-project implementers in Burkina Faso spoke very favorably about their involvement in this, particularly because they are now aware of groups working on similar topics in other parts of the country.

The DGM also encourages sharing of NRM knowledge provided to the sub-projects by inviting neighboring groups for local training, and all sub-projects participants said they held additional training to reproduce any training that happens outside of their locality. Sharing is dependent on successful activities, however; in two sites (one school and one honey producers group), the participants were planning to share livelihood and NRM improvements, but said they were unable to do so because delays in the sub-project meant there was so far little to demonstrate.

All sub-projects visited were also said to be sharing their knowledge on project design and proposal development. People engaged in them said their sub-project had attracted a lot of local attention, and other communities now considered them technically advanced because they had been selected in the procurement process. This perspective was confirmed by talking to communities near to the winning sub-projects, including groups whose DGM application had not been successful.

This is not a planned effect of the project, although local recognition was said to be generated first by the NEA validation visit to the shortlisted communities in the pre-award phase and also in the proposal feedback process, when unsuccessful applicants were told how many applications were received and what selection criteria the winners met. The effect continued when the sub-project was implemented because the producers groups in Burkina Faso have started to use new production technologies, have constructed prominent buildings and are subject to quality checks of their production. Two women's groups pointed to a drawback of this increased recognition, complaining that their membership had expanded dramatically since winning the sub-project.

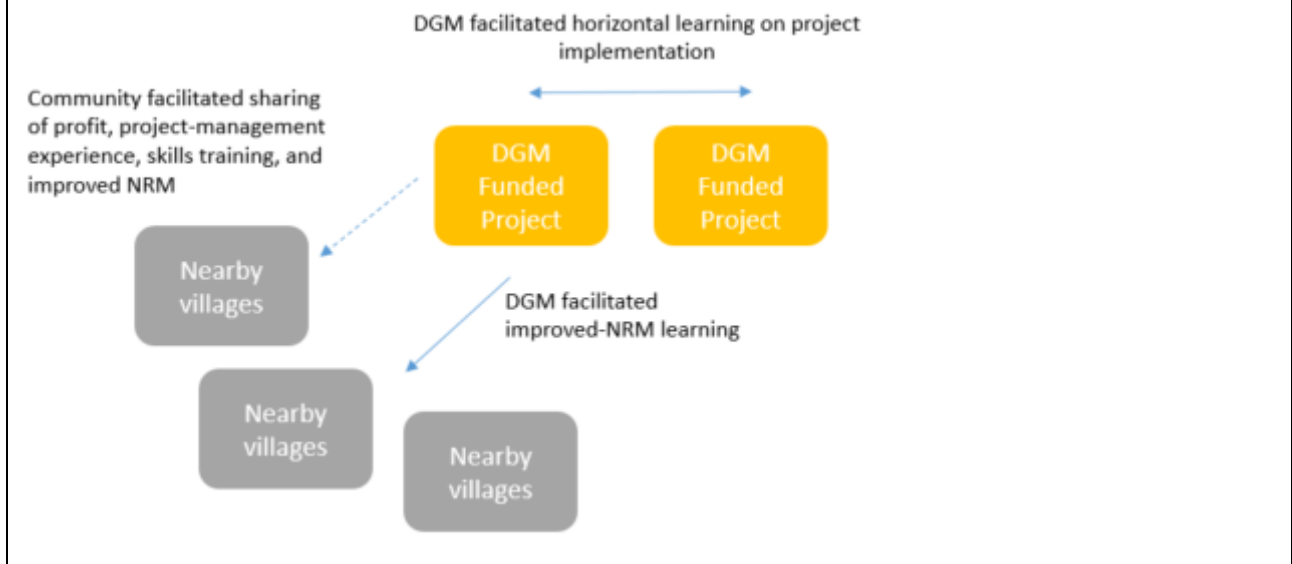
Sharing of funds and technologies

Income increases at the local level were said to cause visible inequalities. To address this, three producers groups in Burkina Faso said they were making a contribution to the community plan using their profits. A shea producers group, for instance, said it called together surrounding villages to discuss what local activities needed funding and then made a contribution to them. This sharing mechanism is not a requirement of the DGM but is one part of a positive strategy to compensate for the income

disparities between project and non-project areas. The NSC representative for the shea producers explained that the group felt obliged to share as the nearest non-project community was only 1 km away and people in that village had a sense of missing out when they saw the women doing so well.⁷⁷

Technological benefits were also said to be shared. In one area, a neighboring villager (whose own project had not been successful) said that the DGM sub-project was beneficial to the whole area because there was now storage for year-round soumbala seed production, and the hygiene standards the producers group used had brought wide recognition that the area produced safe and quality food.

Figure 4: Formal and informal sharing of the benefits of the DGM in Burkina Faso



3.2.4. IPLC organizations better able to represent their constituents

Through engagement in the DGM, IPLC organizations have improved their ability to represent their constituencies in all countries.

In DRC, the World Bank explicitly set out to strengthen REPALEF as an organization representing both IPs and LCs.

The choice has been to strengthen the representative system, i.e., villagers have a delegate at territorial level, and that delegate can bring the needs from that territory to the NSC, identify solutions with its constituents and have a leadership role in implementing the sub-project. This benefits the community, it also benefits the representative system as communities can really understand the role and the added value of belonging to a structure of representation. TTL, DRC⁷⁸

In Peru, the World Bank persuaded AIDSESEP, the institutionally strongest IP organization in the Peruvian Amazon Basin, to join forces with CONAP, another IP organization, to form a combined NSC, even though the two organizations differed ideologically. The combined NSC has the potential to command greater political recognition because it now represents 2,300 Amazon communities, whereas AIDSESEP by itself represents only 1,500 communities.

Similarly, in Brazil, the DGM process has been able to achieve what is said to be the first instance of quilombola, indigenous and traditional communities working together – a change that all NSC and NEA respondents in Brazil mentioned as being positive. The NSC is also said to have helped settled a land conflict between two of these groups.

Everyone was really interested in working together, and so we talked about what was important for quilombola communities, traditional communities and IPs, and as we worked on the project our friendship ties developed and today we refer to ourselves as the DGM family. NSC member, Brazil⁷⁹

Saweto DGM-Peru has allowed some of its territorially based IP organizations to broaden their role from political representation of their constituent communities' needs and issues to also providing them with technical support, something they had not done before. The technical support has come from writing winning proposals for (technical) DGM sub-projects; capacity development; and learning how to implement them, all with help from the NEA.

In Burkina Faso, NSC members said that their connections to sub-project communities had deepened and become more effective when, on request, they had supported communities to develop proposals and then become involved in implementation and reporting.

Previously as a representative of local communities I knew communities' needs, but now with the DGM, and being a member of the NSC, I am able to help them express themselves and develop those ideas into a project. NSC member, Burkina Faso⁸⁰

NSC members in Burkina Faso also said they now acted as reference points for other initiatives (such as FIP, NGOs and local government) that want to work in their respective areas to help ensure new initiatives will be implemented in the same way as the DGM.

Voting NSC members in Burkina Faso are district-level operators with close linkages to communities through land management and livelihood activities, but with limited previous national presence. They were not part of any umbrella IPLC organization, as are the NSC members in most other countries. Burkina Faso is similar to Ghana in this respect. However, as a result of the DGM, the NSC has become a 'specialized committee' of the National REDD+ Platform.

A concern in Indonesia is whether an NSC of 11 (9 voting members representing 7 IPLC representatives - one from each region and 2 women representing IPs and LCs plus 2 non-voting members from Ministry of Environment and DKN) can fully represent IPLCs across the whole country. A former TLL suggested that it could take 10 NSC members for each of Indonesia's 7 regions.⁸¹ It was felt that this would make the NSC cumbersome and unworkable. Furthermore, in Brazil, Burkina Faso and Peru, the NSC is not yet fully national: membership consists of representatives only from the defined areas of the DGM's operations, and certain groups, such as pastoralist groups in Burkina Faso, have not yet been able to participate at the same level as sedentary groups. Importantly, the pastoralist representative spoken to saw the DGM as very positive for the country and appreciated the efforts to increase their involvement in the future.

3.2.5. Greater political recognition of IPLC issues

The Learning Review found evidence that the DGM had allowed IPLC organizations to achieve greater recognition of IP issues, in particular with respect to land rights. This increased influence was being exerted at both national and global levels.

Greater country-level recognition and influence

In Peru, AIDSESEP asked the World Bank to include work on land rights in the DGM. Initially, the Bank expressed some concerns to do so because the original design of the DGM excluded land titling.⁸²

In Indonesia, the former AMAN secretary general felt that engagement in FIP and with the Indonesian government through the DGM had given greater weight to the message of 'no REDD+ without IP land

rights'.⁸³ He felt that FIP added credibility to the message in areas of government that AMAN, as a campaigning organization on IP issues, is not normally able to reach.

At the same time, AMAN and the NEA in Indonesia saw political risks in being seen as too close to the World Bank or the government. AMAN received online criticism that it had been co-opted by the World Bank when it first started working with the DGM.⁸⁴ In another incident, the NEA did not agree to the World Bank using the DGM to direct other funding to IP organizations working in central Kalimantan. The NEA judged these IP organizations to have been co-opted by government⁸⁵ and hence their being associated with the DGM would damage the mechanism's reputation for being independent.

In Brazil, the DGM is said to have supported very basic recognition at the national level of the existence and contribution of quilombola communities, '*stopping them being invisible to the Brazilian Government and the international community – this is a really positive aspect of the project*'.⁸⁶ Respondents in Brazil feel that the DGM has taken on an added importance as a defender of IPLCs' rights as people that are said to experience the greatest level of discrimination.

In DRC, women's groups are using the DGM as a platform to raise specific concerns they face as indigenous women:

The authorities state that there is a law for women (Law N°015), meanwhile they do not take into account the fact indigenous women and local women in DRC are facing specific issues. Indigenous women want to show that we are left behind in terms of women's prerogatives. NSC member, DRC⁸⁷

Increased recognition of marginalized groups is an anticipated benefit in Nepal, where the DGM consultation process so far has highlighted potential for the DGM to work through a rights-based approach in support of religious, gender and geographic minorities and the poor over natural resources. Participants at initial workshop to develop the NSC in 2016 also saw the potential for community-based forest management groups to gain recognition, and for this to act as a key entry point for securing rights for local communities.

Greater global-level recognition and influence

The global component of the DGM, through the GSC and GEA, has given appointed NSC members a platform to bring IP issues onto a global stage. Appendix 7 shows the types of activity the GEA has organized in this regard. For example, in 2015, the GEA funded the participation of DGM representatives at two side-events it organized at UNFCCC COP21. Similarly, in 2015, the GEA hosted the DGM Global Exchange on Climate Policy and Finance, which gave an opportunity for IPLC representatives to share ideas and develop a common platform to present at UNFCCC COP22 on Intended Nationally Determined Contributions and IPLC access to climate funding.

There is some anecdotal evidence that the GEA's outreach work is empowering IPLCs to participate in climate change discussions at a global level. CI's senior director responsible for DGM work thinks that the mechanism contributed to the decision at COP22 to proceed with the LCIP Knowledge Platform. The contribution was to add, at a critical juncture in the conversation about the Platform, the DGM example of IPs linking up to seek and share solutions to issues faced, both nationally and globally.

The LCIP Knowledge Platform aims to integrate IPLC knowledge systems into the design and implementation of international and national actions on climate change, build the capacity of IPLCs to engage with UNFCCC and promote the exchange of experience, among other things. CI's senior director acknowledges that many people and groups contributed to the decision to launch the Platform but feels that the DGM members present at COP22 felt a sense of contribution to, and ownership of, the decision.⁸⁸

CI's senior director also thinks that *'people invited to CI-organized exchanges are taking something away in terms of a border expertise than they might draw from in their own context, for example an appreciation of the difference between how Peru and Indonesia have pursued land rights and whether DRC can draw anything from the two.'*⁸⁹

3.3. Enabling outcomes

This section explores the enabling outcomes generated by the DGM process that contributed to the more substantive outcomes just reviewed. The main enabling outcomes were the aspiration by IPLCs to sustain and scale up the DGM; greater capacity to design, fund and implement new projects; greater technical capacity; and greater transparency and trust. While focused on IPLCs, these outcomes also apply to other stakeholders, for example greater trust by the World Bank in IPLC capabilities and a feeling of ownership that some NEAs have built into the DGM.

3.3.1. Sense of ownership and aspiration to sustain and scale up the DGM model

One of the most important enabling outcomes of the DGM is that the IPLCs involved have developed both a strong sense of ownership of the mechanism and the aspiration that it should continue to function after FIP funding ceases. This aspiration was shared by respondents in Brazil, Burkina Faso, DRC, Indonesia and Peru, where the respective NSCs are all looking for ways to continue the DGM after the closure of FIP. Although a feeling of ownership may mean little on its own, it could be viewed as clear buy-in and a statement of intent from IPLCs, which, when combined with opportunity and increased capacity, suggest that the mechanism may in the future be transformative.

[The DGM is] much more than a temporary and experimental project of the World Bank. It's more than the temporary administration of WWF-Peru. It has sufficient legitimacy, relevance, efficiency, social sustainability to continue. It is a national indigenous climate mechanism, which must be legalized, strengthened as a permanent structure. It is an indigenous mechanism for indigenous targeting of global climate funds in Peru. AIDSEP, CONAP, WWF-Peru presentation⁹⁰

Respondents in Indonesia and Peru and at CI also shared a view that the country DGMs need to disperse larger amounts of funding to make a significant difference.

80 million is a drop in the bucket compared to IP needs. It is more important to demonstrate that money can be spent and accounted for, in a way that allows IPs explore their own ideas. GEA team member, DGM Global⁹¹

In Burkina Faso, the communities involved in and surrounding the sub-projects routinely referred to their sub-project as meeting only part of their needs – some of these were needs generated because of the sub-project (e.g. protection for their production site) but most were more basic, such as water, education, health, vegetable gardens and access to energy. Representatives in Brazil and Peru referred to the food security challenges IPLCs faced, with the DGM able to contribute only indirectly to meeting this basic need.

In Indonesia, there was a sense that the investment of time and effort in establishing the DGM will help attract new funding.

If you have a good transparent mechanism in place the people will use it – build it and they will come. AMAN, Indonesia⁹²

3.3.2. Sustained trust

Trust, together with ownership, are two of the most important motivators driving the DGM.

The community groups working on the sub-projects visited in Burkina Faso and Peru said they felt trusted by the World Bank to implement their sub-projects. IPLC organizations implementing sub-projects said trust had been built through the proposal development process in which their ideas were written up into proposals that were funded. It is clear from conversations with NEAs, FIP and the World Bank that there is a trust in IPLCs' ability to co-design sub-projects. There is also recognition (in Burkina Faso, Brazil and Peru) that their traditional knowledge improves NRM. Based on this, in Burkina Faso the NEA has commissioned a study on traditional knowledge.

Groups involved in the sub-projects also felt trusted to manage them. In Burkina Faso, for instance, one group spoke of being trusted by their local bank to withdraw the money they needed for activities.

IPLCs have now noticed that they are trustworthy among people in DRC. They think their future is brightening up because they are now aware of real things that matter the most in their lives: land ownership, gaining support to implement well their indigenous knowledge, being able to practice conservation and safeguards activities on their habitat niches. NSC member, DRC⁹³

Monitoring by the NSC and the NEA

Trust in the DGM has been earned and sustained by putting in place monitoring systems that reassure participants that the DGM is fair.

In most countries, NSC members visit the proposed sites to check the proposal was developed by the community and involved women. Many NSC respondents refer to this as an important oversight capacity that they use to ensure the DGM funding reaches IPLCs.

In Peru, the NEA plays both a monitoring and a coaching role to encourage IP implementing organizations to be responsive to the communities in which they work and to encourage the communities to call the implementing agencies to account when needed.

In Burkina Faso, a number of proposals were rejected because they were found to have been developed by people external to the community, and others because material was found to have been copied from other proposals. In Brazil, the visits are said to have vetted out proposals that 'were designed in an office'. In DRC, the DGM decided to directly support groups making their applications in anticipation that an open call would lead to too many organizations 'pushing' their existing work on to IPLCs rather than helping them write their needs into plans:

We need to know which organizations are in the field and which are imported from cities or developed areas. After the operators returned to Kinshasa with all the applicants' files, we met to identify which projects are eligible or not. Then we go for site visits to find out which projects are real. NSC member, DRC⁹⁴

In Burkina Faso, the social and environmental safeguards applied to the design and monitoring of sub-projects were seen to be valuable but difficult to manage for both the NSC members and the sub-project participants themselves; they were also new to the NEA and so the process of using them has been a joint learning exercise.⁹⁵

NSC members commonly preclude themselves from voting on proposals from the areas they represent. This rule is important, not only to stop NSC members favoring their regional alliances but also to allow themselves, as NSC members, to apply for sub-projects. This still opens up the risk of collusion (although in Burkina Faso an NSC applicant said the practice so far had demonstrated the transparency of the call, as

her application had been rejected on technical grounds).⁹⁶ In Indonesia, NSC members are not allowed to apply for DGM sub-projects at all.

In Burkina Faso, NSC members monitor the sub-projects to ensure the activities are progressing as agreed in the proposals.

NSC members in Brazil and Burkina Faso mentioned their attempts to ensure all members were aware of all sub-projects, and not just those in their locality. In Burkina Faso, the NSC has a rotation system between the five regions for its meetings and monitoring visits, and the NSC members felt they knew exactly the level of activity completion in each of the sub-projects (although this may become more challenging when this expands from 14 sub-projects to a total of 46 after the second call).

Monitoring is said to prove more challenging in the larger countries, such as Brazil, where distances are great and the internet unreliable – but the NSC, supported by the NEA, said it keeps abreast of activities via WhatsApp when visits were not possible. The NEA has provided IPLCs with tablets to facilitate communication. In DRC, the DGM has set up provincial-level committees for monitoring, and this structure is appreciated for creating a national platform in which monitoring of sub-projects at the village and province level will take place. In Indonesia, the monitoring will be undertaken by the NEA and reported to the NSC, which, it was suggested, will perform site visits only when necessary.

3.3.3. Transparent governance

A big part in building the trust stakeholders have in the DGM has been the World Bank's insistence on transparency of process.

Many NSC respondents were enthusiastic about the importance of transparency and the processes they use to enact it in their role. The final clause in the last criterion of who is eligible to become an NSC member states that the person should be 'known for non-partisanship and transparency in their work'; however, this is no guarantee that the people selected will be or remain transparent. From the conversations held with NSC members, it appears that the DGM has provided the means for openness and scrutiny and fueled an ethos in people who may be already be inclined towards working in this way.

Transparency is most crucial when deciding which sub-projects are to be funded. In Burkina Faso, all voting members of the NSC spoke strongly about the importance of their processes for administering the calls for proposals and selecting those to be funded. The NSC and NEA operate an extensive and highly visible process for broadcasting the call for proposals, involving radio announcements, newspaper advertisements and a series of local-level meetings to explain the requirements of the application and the sub-projects. In processing the applications to a long list and then a shortlist, the two explained how they justified their decisions to each other with scorecards.

Feedback to unsuccessful applicants was also said to be important in Burkina Faso, although the volume of applications permits the NSC/NEA to do this only on request. The Learning Review spoke to a small sample of unsuccessful applicants in Burkina Faso, and those who had asked for feedback had found it useful to understand why they had not been selected.

We have to inform them why their projects weren't successful to avoid frustration. NSC member, DRC⁹⁷

Whether NSC members will continue to use the formal governance and management practices that ensure transparency remains to be seen. It is clear the NSCs are still developing the capacity to provide the level of oversight and reporting required. Many NSC and NEA respondents also refer to the difficulties in contextualizing and using the World Bank's fiduciary requirements, although some said they saw the rationale behind them and valued the importance placed on demonstrating how public funds are spent.

The combination of the DGM's genuine commitment to community ownership and the formal compliance process may also help sustain the NSCs' commitment to transparency. When asked whether limiting the initial call for proposals could have avoided raising expectations, one NSC member replied:

There is no way we can restrict the information people receive about the call – people would have said we are cheating them and valuing others. They will issue a grievance straight to the World Bank and ask for the DGM to be shut down. [...] It is very easy to deal with grievances when you can tell people why the winners won and they did not. NSC member, Burkina Faso⁹⁸

This potential seems also to have been recognized in Nepal, where the NSC said it was looking forward to designing the DGM because it saw it as being 'inclusive, participatory and transparent'.

3.3.4. Dedicated funding

Although not strictly an outcome, the fact that IPLCs trust there is a dedicated fund available to them has been an important driver of the DGM process and the outcomes it has generated. This driver risks going into reverse given current uncertainty over whether FIP will be able to meet its current commitments. Uncertainty over future funding is identified as a 'dampener' and further discussed in Section 4.

3.4. Outcomes for NEAs

Engagement in the DGM has resulted in mixed outcomes for the NEAs. NEAs have benefited from improved relationships with IPLC organizations and been able to win new support on the basis of the DGM. However, there have been difficulties and risks for NEAs entering into a process they do not control.

3.4.1. Improved relationships with IPLCs

Peru is a good example of these benefits and difficulties. As a result of the DGM, the NEA (WWF-Peru) has a much stronger relationship with the two main IP organizations working in the forested Amazonia region. These improvements have come about through facilitating NSC meetings and visiting sub-project communities and implementing IP organizations as part of the NEA's monitoring and capacity development role.

As a result of the DGM, WWF-Peru has started working on aquaculture and forest management for the first time and has been able to win a German (BMZ) funded project to complement DGM livelihood work.⁹⁹

WWF-International, one of the world's largest conservation organizations, has been criticized for championing conservation over the rights of indigenous people,¹⁰⁰ for example in Cameroon¹⁰¹. It is therefore reasonable to assume that better relationships with AIDSESEP, one of the strongest IP organizations in Latin America, will help the organization improve relationships globally.

The complexity of the DGM has also been problematic at times. WWF-Peru did not originally realize or necessarily agree that it was supposed to implement the DGM according to the World Bank's Project Appraisal Document, which WWF-Peru had not been part of developing. WWF-Peru felt it needed to refresh and review the agreements already in place and build additional capacity ahead of the first call for sub-projects. This led to a delay of several months (but arguably a better result in the end).

3.4.2. Reputational risk

Other NEAs have been aware of reputational risk involved in the length of time it has taken to grant funding to sub-projects. In Indonesia, Samdhana Institute prides itself on providing micro-grants (around \$5,000) with minimum red-tape within a few weeks. This has not been possible with grants to DGM sub-projects. The organization has set up a separate arm to manage these so as to protect its brand.

The NEA and NSC in Brazil have faced similar difficulties.¹⁰²

The 41 projects that we approved in the first round were really delayed. There was so much bureaucracy and all these papers from the World Bank that we hadn't known about, and because of this we felt under pressure from the communities. It took away our credibility (both the NSC and NEA) as people were keen to know when things would be approved and when communities could start executing projects. NSC member, Brazil¹⁰³

Another issue, explored in Box 3, has been managing expectations, as inevitably demand for sub-projects has far outstripped the funding available.

Box 3: Managing expectations

The DGM operates in countries where there is a great need and demand for initiatives that support IPLCs. Despite initial wariness among IPLCs in some countries, the DGM now appears to be popular, particularly for its emphasis on community-driven initiatives. In the pursuit of wide inclusion, its promoters have broadcast the mechanism widely at the local level within a country.

The combination of these factors has led to a great number of applications for IPLC sub-projects. In each country that has opted for an open call for proposals, initial applications have dwarfed the funding amounts available, and are said to have stretched the NEAs and NSCs in reviewing and responding. In Burkina Faso, out of 651 applications from the first call, only 14 were funded.

How to manage expectations was a common concern mentioned by NEA and NSC respondents from all countries in the Learning Review, including Mozambique and Nepal, which are starting up.

A few lessons emerge from the countries that have gone through this:

1. **Opt for** a non-competitive procurement process to select sub-projects, as in DRC and Peru.
2. **Continued openness:** During a wide broadcast of the DGM, remain available throughout the call of proposals to provide advice and, importantly, feedback to unsuccessful applications after the results are announced.
3. **Consider reducing the amounts given**, spreading the impact but potentially reducing it in any one area. The latter may be a good approach to avoid visible inequalities.
4. **Hold more than one call for proposals:** Although countries that have done this are still not able to meet all needs, it has been said to act as an important tool for maintaining hope and allowing unsuccessful applicants in the first round to improve their proposals for the next stage.
5. **Encourage intercommunity sharing:** As explained above, communities in Burkina Faso are already doing this, sharing technical support for proposal writing, NRM advice and profits from income-generating activities.

3.5. Outcomes for the GEA

According to CI's senior director on social policy and practice, the DGM has helped the organization become better able to respond to IPLC issues. However, this outcome has not yet been 'locked in'.

Like WWF as a whole, as a conservation organization, CI has had challenging interactions with IPs in the past. CI includes people 'who think that conventional investments are the way to go and empowering people is not a good idea'.¹⁰⁴ The DGM is helping those who think differently make the case for empowering IPLCs by providing evidence that the DGM approach works at reasonable cost. Making the case will help win an internal battle within CI and help change the organization in the process.

CI is one of a few global conservation organizations that have two IP representatives working for them. Through the DGM, they are invited to the ‘inner circle’ to engage with IPLC representatives at the highest global level. According to the senior director, this interface helps CI set new standards of how conservation organizations can work with IPLCs. If the DGM goes badly, however, then it will reinforce historical barriers to working directly with IPs.

3.6. Outcomes for FIP, REDD+ and the World Bank

According to the DGM ToC, the overall objective of the mechanism is that IPLCs have an increased role in FIP and other REDD+ programs at local, national and global scales. Section 3.6 explores the extent to which this outcome has been achieved in different countries.

With respect to REDD+, the main outcome has been IPLC organizations moving from suspicion to understanding that the mechanism can be leveraged to secure land rights,¹⁰⁵ with the argument that providing land rights leads to better forest management.

The executive director of the Global Forest Coalition – a coalition of NGOs and IP organizations defending social justice and the rights of forest peoples – thinks that the DGM has led to a reduction in criticism of FIP activities by IP organizations. Whereas the DGM mechanism could enable much-needed participation of IP organizations and empower them to play an important role in overall forest governance, the financial dependencies created by the mechanism could create a barrier to IP organizations being critical about other FIP projects and REDD+ in general. Her impression that some of the IP organizations that have become dependent on DGM funding now feel they are no longer in a position to articulate their concerns in this respect. She came to this view attending FIP meetings, where the Global Forest Coalition is the Northern CSO observer to the FIP.¹⁰⁶

The DGM has led to less IPLC engagement in other FIP projects than initially hoped-for because the DGM generally started after other projects, or, in the case of Peru, well before. Also, despite work by TTLs to bring a programmatic approach to FIPs in DGM countries, in practice projects have done their own thing. In retrospect, a stronger programmatic push from the World Bank was needed.¹⁰⁷

The DGM was a major departure from how the World Bank normally does business. The TTL for Nepal summarizes well both the struggles and benefits of the DGM.

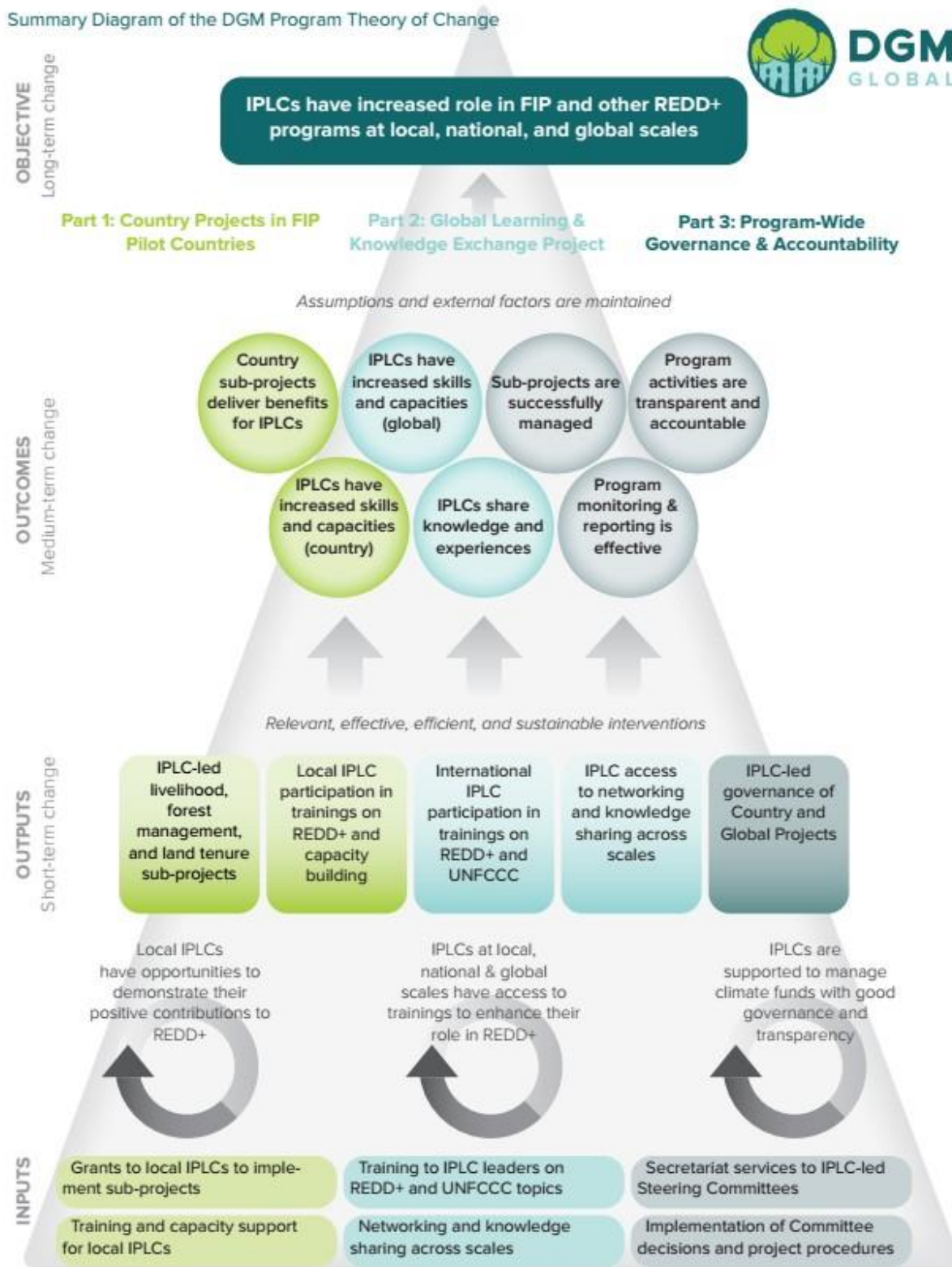
It is so unusual that we had to fight quite some battles internally. Certain parts of the World Bank said, ‘Oops, this is too risky. We don’t want to have anything to do with it. Procurement is a nightmare. We don’t want to have to do this.’ It took another, I think, two years to get the DGM through the World Bank [approval] process. Finally, we really worked on our management and basically said, ‘This is a very valuable mechanism which will not only benefit these groups in these countries and globally but will also will help the bank to build the relationship between the World Bank and these groups,’ because when you look at their past history, the relationships between the World Bank and these groups were rather intense for issues of safeguards with settlement issues. TTL, Nepal¹⁰⁸

A former World Bank forests adviser who was instrumental in setting up FIP and the DGM thinks that the DGM has improved the World Bank’s relationship with IPLCs.¹⁰⁹

3.7. Insight from comparing emerging outcomes with expected outcomes

Figure 5 shows the summary diagram of the DGM ToC developed by DGM Global in 2016.¹¹⁰ It is based on the DGM Project Appraisal Document¹¹¹ developed as part of the DGM Global approval process. The ToC shows the short-, medium- and long-term outcomes that DGM Global expects the DGM to produce.

Figure 5: Predicted Theory of Change of the DGM



The outcomes described in this section are outcomes the Learning Review encountered in the field and interviewees say have been *achieved*. These achieved outcomes match well with the predicted ones, in particular the medium-term outcomes shown in the diagram. What the Learning Review adds to the ToC is a sense of the actual dynamic that has produced the outcomes, shown in Figure 7, Section 4.4.

This section has also identified enabling outcomes such as trust, ownership and aspiration that do not appear in the predicted ToC. Additionally, it identifies outcomes for other stakeholders who are key to the successful running of the DGM – the NEAs, the GEA and the World Bank. These outcomes potentially increase the return on investment in setting up and running the DGM and so should be included in any future impact evaluation of the DGM, and in any decision about whether to continue funding the DGM after FIP finishes. The existence of these outcomes increases confidence that the DGM is viable because it shows that all the key stakeholders are deriving benefit from the DGM, not only IPLCs.

Finally, the predicted ToC does not give any sense of time and implies a linear progression from activity to output to outcome. This section shows outcomes beginning almost as soon as work started in a country, and that the process of setting up country DGMs was an important generator of enabling outcomes.

Attention to process, so as to achieve enabling outcomes, is what is potentially transformative in endeavors such as the DGM.

This insight is mirrored in the innovation literature.¹¹² The important implication is that theories of change, such as shown in Figure 5, are accompanied by ‘theories of action’ that describe the process – how the project will engage with key stakeholders and build ownership and trust in line with shared aspirations.

Part III: Learning from DGM Design and Early Implementation

4. Learning from the history of the DGM at country and global level

This section explores the history of the DGM to derive insight into the dynamic driving the mechanism, based on success factors, motivators and dampeners. We expect it to be of broad interest to IPLC organizations, donors, multilateral organizations and DGM participants who think history is important to understand how the DGM is currently working.

The section is based on detailed timelines developed as part of the IH approach used by the Learning Review. It is in two parts: the first tells the story of the overall DGM whereas the second compares and contrasts the DGM preparation and implementation timelines in each of the six countries we consider. We then develop a causal model to characterize how the DGM appears to have worked at country level based on identifying common motivators and dampeners.

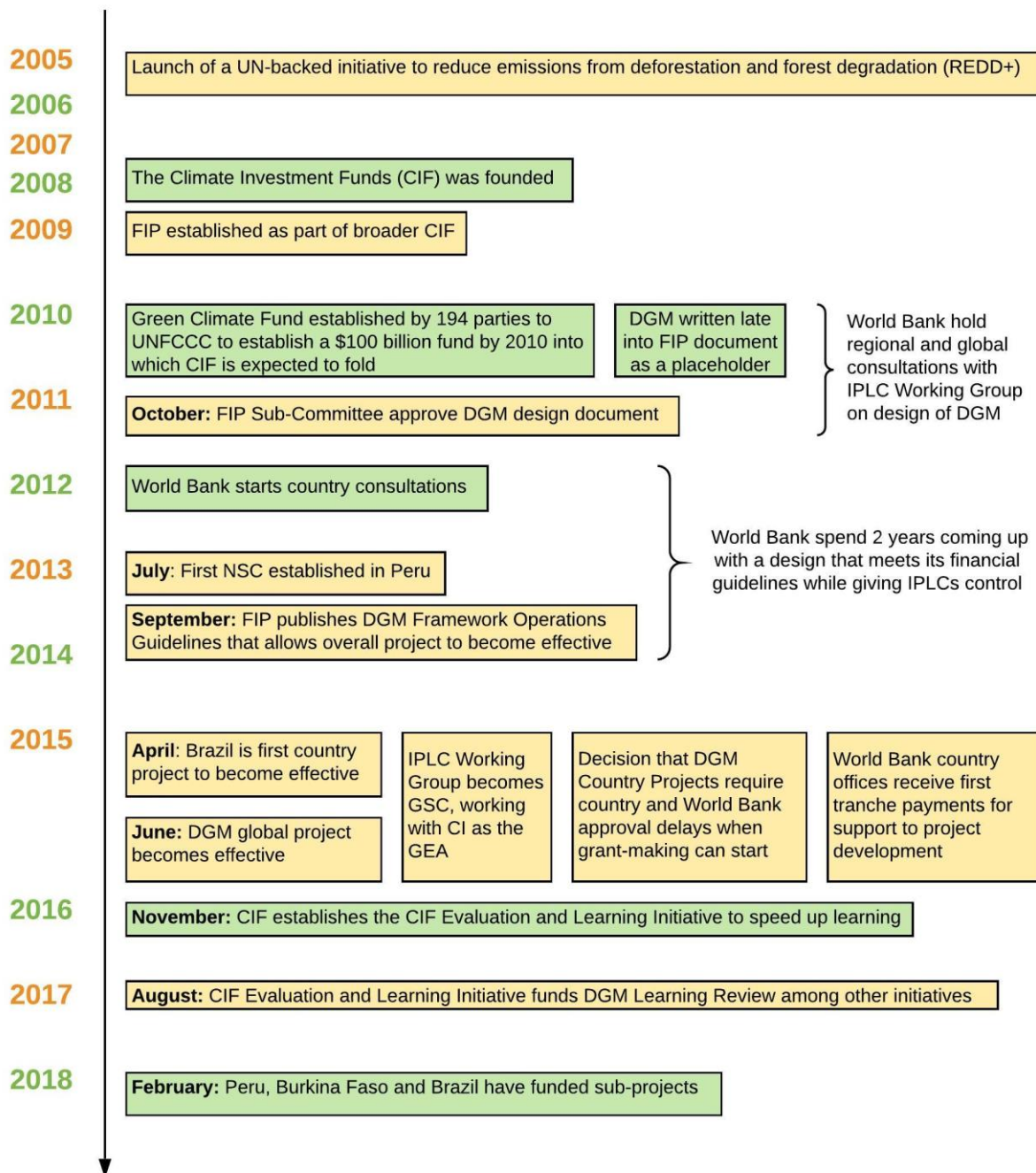
4.1. History of the global DGM project

Figure 6 provides the timeline of the global DGM project. The birth of the DGM can be traced back to 2005, to the launch of a UN-backed initiative to reduce emissions from deforestation and forest degradation (REDD). REDD aims to help countries receive payments for verified reduced emissions from their forest sectors compared with a reference level based on business as usual. From the outset, concerns were raised among IP (indigenous peoples) organizations and within the World Bank that REDD would be top-down because payments would come from a central carbon fund, and that IPs, already proven to manage forests well, may not be motivated by cash payments.¹¹³

FIP was designed to finance efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so. In 2009, FIP had a budget of \$755 million to be implemented through MDBs as part of the larger CIF. FIP was seen as the 'missing middle' that would allow developing countries to implement worthwhile forestry projects that contributed to reduced emissions and development and delivered transformational change while waiting for REDD mechanisms to be fully developed and countries to become ready to use them.

CIF was funded within the context of the United Nations Framework Convention on Climate Change (UNFCCC), which came into force in 1994. The UNFCCC objective is to 'stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system'. There are annual Conferences of the Parties (COPs) to monitor progress, develop and agree on new approaches and reporting systems and generally work towards achieving this objective.

Figure 6: Timeline of the global DGM project



4.1.1. Early discussions about DGM

At the same time that FIP was established, discussions on a DGM for IPLCs began, championed by the secretary general of Indonesia’s Alliance of Indigenous Peoples of the Archipelago (Aliansi Masyarakat Adat Nusantara (AMAN)) and the World Bank forests adviser, among others. The secretary general of AMAN proposed the idea of a DGM for IPs as a keynote speaker at a design meeting on FIP in Washington, DC.¹¹⁴ The World Bank forests adviser then made the same proposal at the United Nations Permanent Forum on Indigenous Issues (UNPFII) in April 2010.¹¹⁵ Based on both positive responses, a paragraph describing a DGM for IPLCs was added to the FIP document as a placeholder in 2010. At this stage, negotiations on FIP were drawing to a close. Donors allowed the paragraph to stand even though details on how the DGM would be implemented had not been decided.

The World Bank then organized a series of meetings to consult on the concept and the design of the DGM. During 2010–2011, four regional meetings, in Africa, Asia, Latin America and the Pacific, were held; IPLC and government representatives also attended these meetings. In the same period, two global design meetings were held, in Bangkok and Washington, DC, with participation of IPLC representatives from eight FIP pilot and non-pilot countries.

4.1.2. IPLC working group established

An Interim IPLC Working Group helped develop a Design Document from the outputs of the two meetings. This was discussed with MDBs and, in October 2011, the governing body of FIP – the FIP SC – approved the DGM Design Document and earmarked \$50 million for the DGM. In 2012, the IPLC Working Group was replaced by the Transitional Steering Committee of the DGM, which became the GSC of the DGM in 2013.

AMAN’s deputy secretary general, who was also the co-chair of the GSC, played an important leadership role in the IPLC Working Group. She led negotiations to ensure that the principles behind Free, Prior and Informed Consent and alignment with the United Nations Declaration on the Rights of Indigenous People were reflected in the FIP document.¹¹⁶ Some countries initially challenged their inclusion, but an agreement was eventually reached that helped ensure IPLC organizations would engage with FIP. The World Bank forests adviser also played an important role in helping prevent negotiations breaking down. The World Bank accepted the IPLC Working Group’s request that it should be the MDB to lead the DGM in 2011.

4.1.3. World Bank adopts DGM

Upon taking on leadership of the DGM, the World Bank adapted bank policies and safeguards to work with IPLCs. It took two years to sort out critical issues, including risk management and conflict resolution. For example, initially the World Bank did not want the DGM to be used to fund work on land rights in Peru. The NSC was clear that its participation depended on this being included, as it was the main priority for the IP communities it represented. Thanks to the work of the TTL, and by advocating the principle that IPLCs should have control over how they spend funding earmarked for them, the World Bank management was able to change its position.¹¹⁷

In June 2013, some two years after accepting the leadership role, the World Bank launched a competitive selection process for the Global Executing Agency (GEA), which was won by Conservation International (CI). In September 2013, FIP published the DGM Framework Operational Guidelines, developed by the World Bank and approved by the Transitional Steering Committee.

These Guidelines describe the governance of the DGM; the country and global components; procedures for the review and selection of DGM grant proposals and capacity-building activities; and the Grievance Redress Mechanism (GRM). Figure 1 (Section 1.2) presents the DGM architecture laid out in the Guidelines, showing the resource flows and reporting and supervisory relationships between different elements of the DGM.

The Guidelines gave impetus to country consultations led by World Bank TTLs that had begun in 2012. Peru was able to establish an NSC in June 2013. Brazil, Burkina Faso, DRC and Indonesia established theirs in the following year.

Box 4: FIP, REDD and the DGM

Following the UNFCCC COP13, held in Bali in December 2013, REDD received a major stimulus from the international community. FIP was one of three new financing initiatives all focused on determining how to bring REDD into the global development architecture by supporting developing countries to reduce emissions from forests, build carbon stocks and, in due course, receive payments for verified progress with these. The other two initiatives were the Forest Carbon Partnership Facility (FCPF) and UN-REDD. In the same period, the fifth round of the Global Environment Facility (GEF 5), which covered the period

2010–2014, revised its program on sustainable forest management (SFM) to create a new SFM/REDD program.

These four initiatives all focused on providing assistance to developing countries but through different modalities and with varying levels of focus on the three phases of REDD. Each had its own set of rules. For example, FCPF provided readiness investment of \$3.8 million per country plus a standard preparation grant. UN-REDD provided a similar level of finance but was more flexible in respect of the amount for each country. FIP and GEF SFM/REDD generally provided much larger finance per country; for the initial eight FIP countries, the average was \$51 million.

FIP positioned itself within REDD Phase 2. Its mandate stated that the main purpose of FIP was to support developing countries' REDD efforts, providing upfront bridge financing for readiness reforms and public and private investments identified through national REDD readiness strategy-building efforts, while taking into account opportunities to help them adapt to the impacts of climate change on forests and to contribute to multiple benefits such as biodiversity conservation, protection of the rights of IPLCs, poverty reduction and rural livelihoods enhancements.

The wide scope and complexity of this mandate inevitably meant FIP would have to start slowly but the longer timeframe required for the developmental activities that support REDD has also been very helpful in respect of DGM.

4.1.4. DGM approved as a World Bank project

The World Bank Board of Directors approved the global DGM project in March 2015 and in July approved a five-year strategic plan for the DGM. At the same time, the World Bank Board and the FIP SC specified that country-level DGM projects would require World Bank Board approval as well as the no-objection of government. The latter was required because the funds were not directed to governments.

FIP and World Bank also agreed to add six more countries to the DGM. The DGM budget increased from \$50 million to \$80 million to cover this expansion.

The approval of DGM Global project allowed the Transitional Steering Committee of the DGM to become the GSC and for the global component of the DGM to run until June 2020. CI, as the GEA, became the secretariat for the GSC.

In November 2016, CIF established the CIF E&L Initiative to speed up learning that could be useful for the broad range of initiatives aimed at dealing with climate change. In August of the following year, this Initiative commissioned the Learning Review of the DGM.

An external evaluation of CIF in 2014¹¹⁸ concluded that, in some FIP country plans, the route to transformational change was unclear, although it was generally positive on what FIP was achieving. It is not fully evident that this evaluation took sufficient note of the dynamic nature of REDD, nor of the critical point that, as with all related initiatives, when FIP was designed in 2009 it was in the expectation of substantial private sector investment. In part because of the subsequent financial crisis, this investment has not materialized at a scale anything close to what was anticipated. The CIF evaluation does note that the DGM successfully engaged and integrated IPLCs into climate change responses, although, given the time taken to reach full agreement on the DGM, its valuable guidelines were not available when the earlier FIP country plans were being formulated.

In April 2017, in response to increasing uncertainty over funding in FIP, the GSC established a Sustainability Working Group to explore alternative funding options for the DGM.

4.2. History of the country DGM projects

This section describes the history of the six countries considered as part of the Learning Review.

As already stated, the World Bank began country consultations on the DGM in 2012, while at the same time working on the legal and safeguard issues. Country consultations involved establishment of an interim steering committee to help design the country DGM project and to help elect the NSC.

Peru was the first country to establish an NSC in July 2013, followed by Brazil and Indonesia in 2014. In 2015, the FIP SC agreed the first tranche of payments to the World Bank to support the country project development processes. This initial payment was about \$400,000 out of more than \$700,000 per country. Until this was done, World Bank TTLs had used funding from various contingency funds.

Table 2 shows the main steps in preparation and implementation in the study countries. Nepal is not included because, as of February 2018, its NSC was not in place.

The table shows that it took between two and three years from the start of country-level consultations until the NSC was selected. This is indicative of the intricacy of the negotiations necessary and the difficulties in resolving legal and safeguard issues.

The DGM Framework Operational Guidelines describing the governance of the DGM and the role and responsibility of the NSC were published in September 2013. Peru was able to establish its NSC in the same month and the other four countries a year later. Following FIP and World Bank approval of the six additional countries in 2015, Nepal established an interim steering committee in 2016 and is at the time of writing in the process of establishing its NSC.

Table 2: Country preparation and implementation timelines

Countries/stages	Peru	Indonesia	Burkina Faso	Brazil	DR Congo
Country consultations start ¹¹⁹	2012	2012	2012	2012	2012
NSC established ²	September 2013	June 2014	September 2014	October 2014	April 2014
NEA selected	2015	2016	November 2015	January 2015	November 2015
Project approval by WB	September 2015	March 2017	September 2015	March 2015	April 2016
First call for sub-project proposals closed	July 2016	October 2017	July 2016	May 2016	No call for sub-projects
Sub-projects begin	August 2016 to June 2017	Not started as of February 2018	March 2017 to present	September 2016 to present	Not started as of February 2018
Second call for sub-project proposals closed	May 2017	Not started	Not started	June 2018	N/A
Project closure	September 2020	June 2021	June 2020	March 2020	July 2021

There was a difference between countries in respect of the time it took between appointing the NSC and the project approval date. Indonesia, DR Congo and Peru had the longest period, at 33 (Indonesia) and 24 months (DR Congo and Peru), while Brazil and Burkina Faso had the shortest, at 5 and 12 months.

Interviewees gave a number of reasons for delays, including:

² The appointment of the NSC is not part of the World Bank project cycle.

- Change in TTL during the process;
- Delay in appointing the NEA;
- Requirement for a ministerial decree to nominate three government representatives to sit on the NSC (Brazil);
- Taking steps to mitigate perceived risk including conflict of interest and endangering relationships with government;
- The necessity for DGM country projects to be given government clearance as a result of World Bank policy that governments must provide no objection to any financing not being made directly to them.

Once the World Bank approved their DGM projects, Burkina Faso, Indonesia and Peru moved relatively quickly to launch their first calls for proposals, taking between seven and eight months. DRC has chosen to use a non-competitive procurement model and will not issue a call for sub-proposals. Brazil took more than a year to launch its initial call and then, in order to accommodate incremental operating costs incurred by sub-project teams, Brazil's DGM had to restructure. The new structure was approved in May 2017 – two years and a month into the project's implementation. This process delayed sub-project implementation in Brazil: only 16 of its 41 first round sub-grant agreements had been signed by the end of June 2017.

Indonesia experienced delays of at least five months between closing the first call for sub-project proposals and releasing the results of the call, owing to the need to analyze the unexpectedly large response.

In Peru, delays in the negotiations and the subsequent decisions made as part of selecting the NSC and the resultant delay in starting sub-project implementation caused memories to fade and led to a loss of momentum. Furthermore, the leadership of IP organizations also changed during these delays. Consequently, the NEA felt it needed to redo some of the capacity-building and information-sharing carried out by the World Bank.¹²⁰

Delays were less of an issue in Indonesia, perhaps because AMAN, the main IP organization with which the DGM works, was involved in the global DGM process throughout the wait and kept the NSC fully informed.

Brazil and Indonesia both experienced delays between closure of the call for proposals and funding of sub-projects. In Indonesia, this owed in part to time taken for the NEA and World Bank to agree on the need, number and terms of reference of the consultants required to deal with an unexpectedly high number of applications¹²¹, and on balancing the costs of project management versus making funds available for activities on the ground. In the case of Brazil, funding of sub-projects was delayed by protracted discussions between the NEA and the World Bank about the Bank's requirements, which were difficult to meet in some selected sub-projects. Primarily, the discussion related to rules about financial execution and procurement for sourcing of services by sub-projects. Procedural requirements led to further delays.

4.3. Learning and insight

The brief history of the DGM project presented in the previous section allows us to identify common success factors and difficulties of interest to individuals and organizations wishing to establish a DGM with a global component; these are discussed below. The success factors and difficulties are then used as part of a model describing how DGMs are working in countries, shown in Figure 7, Section 4.4. The success factors and difficulties are numbered in both the text and the model to make cross-referencing easier.

4.3.1. Success factors and motivators

Committed people who share a purpose and respond to an opportunity (1)

The genesis of the DGM, as told to the review team, is of two individuals in particular who found common cause in response to REDD. In 2008, the World Bank forests adviser felt that REDD would lead to top-down forest management, undoing years of work on community-based forestry. He, with others, supported the idea of forest investment programs (FIPs) that would fund work on the ground while a robust system of climate financing was developed.

At the same time, the secretary general of AMAN was an IP observer of FIP who was trying to persuade the World Bank to work differently with IPs. Both he and the World Bank forests adviser supported the idea of a dedicated grant mechanism for IPLCs and showed leadership to have it included as a placeholder in the FIP agreement.¹²²

Both men continue to champion the DGM nearly 10 years later. They have supported others from the World Bank and IP organizations that subsequently worked on the design and roll-out of the DGM. For example, the AMAN secretary general recommended and mentored the current GSC co-chair to be on the IPLC Working Group that negotiated with FIP. The World Bank forests adviser supported the DGM TTLs, some of whom who went to extraordinary lengths to negotiate country-level projects. The TTLs formed an informal support group among themselves to share learning.¹²³ Interviews with TTLs suggest that the experience they have had has been personally transformative.

A process that worked by building enabling outcomes, including trust, ownership and relationships (2)

Once the DGM was included under the FIP framework, the World Bank and IPLC representatives were committed to developing a proposal that would be approved by the FIP SC and the World Bank Board of Directors. This process took more than five years and many iterations, and compelled World Bank staff and IP leaders to work together to develop a shared output. There were hard negotiations over adherence to the United Nations Declaration of the Rights of Indigenous People, the principle of Free, Prior and Informed Consent and whether the DGM should fund work on land rights, all of which were agreed.

The process of working together on a common cause built respect, trust, ownership and relationships that helped keep the process on track. IP participants learned to better appreciate how the World Bank operated, while World Bank TTLs had the opportunity to work with talented and committed IP leaders as counterparts. In some cases, this contributed to a major change in the way the World Bank engages with IPs – that is, as counterparts and not only beneficiaries.

As part of DGM engagement, the IP organizations involved worked to reframe REDD to reflect their own priorities and visions for their traditional territories. In some countries, IP organizations have become less critical of REDD and FIP, which at least one interviewee attributes to the DGM.¹²⁴

Dedicated funding (3)

Establishment of a dedicated fund has given the IPLC organizations involved confidence that there will be a stream of funding on which they can rely. The existence of secure funding allows institutionally weaker IPLC organizations to make the jump from a hand-to-mouth existence to one in which they can hire staff, deliver on commitments and grow. A country DGM project typically provides about \$1 million per year to IPLCs over five years. However, recent uncertainty over future FIP funding threatens to negate this motivator.

IPLC organizations in control (4)

Typically, IPLC organizations find it hard to meet the fiduciary requirements of funding agencies such as the World Bank. As a result, institutionally strong non-governmental organizations (NGOs) bid for funding on behalf of IPLC organizations. This can cause problems when the IPLCs feel that the NGO is running their own agenda and taking most of the funding to pay their own costs.

The DGM turns this relationship around, such that the NGO or similar partner executes on behalf of an NSC representing IPLC interests.

Sufficient time (5)

Nearly 10 years since the DGM was written into FIP, only 3 out of the original 8 pilot countries have made grants to projects on the ground. Capacity on the ground to engage in the formal World Bank project approval process was limited, and sensitive and creative TTLs were required, as well as extra time to shepherd each step. That this was achieved in several countries is an important output of the project. As one respondent said, the \$80 million that will be spent on the DGM is a drop in the ocean compared with the financial resources IPLCs need overall and that may become available through GCF.

If they are to access GCF finance, IPLC representative organizations must be able to show they can spend and account adequately for funds in ways that allow IPLCs to pursue their own ideas and agendas. This is what DGM funded in-country projects have shown is possible and what indigenous leaders and communities are articulating. The iterative and multi-step approval process gave the time required both to make the necessary adaptations to the design in each country and to build the ownership and capacity to implement them, although this was not intentional. It also provided some necessary legitimacy to the process, which is what IP leaders said was one of the key outcomes for them. Indigenous leaders in Peru, for example, said that having the 'gold stamp' of the World Bank on a mechanism that they helped design was already a huge achievement.¹²⁵

Nevertheless, more time is still needed for all countries to implement sub-projects on the ground to demonstrate what is possible when IPLCs are funded and trusted to pursue their own agenda. Time is needed for learning by doing as IPLC organizations move from being simple beneficiaries to being active implementers.

Robust DGM design (6)

In retrospect, the design of the DGM has been successful in providing a clear and sufficient operational structure and specification while allowing flexibility to allow for adaptation at global and country level. The next section identifies the large variation in how the country DGMs have taken shape. The essential core design element, in which the NSC is the World Bank's counterpart, supported by a NEA that takes fiduciary responsibility for the grants given, remains robust and unchanged across all countries.

Inclusion (7)

The DGM Framework Operational Guidelines specify that the DGM in each country should be available for both IPs and forest-dependent LCs, even if bringing these two groups together may initially be problematic. In Nepal, for example, the DGM process has opened up a space in which government can interact with both IPs and LCs. For quilombola representatives in Brazil, the DGM was the first mechanism enabling them to get involved in decision-making.

The process itself made it possible to meet other IPs and LCs for the first time. IP and LC organizations that were previously adversarial now see the benefit in working together. In Nepal, it has also led to the inclusion of representatives of highly vulnerable people traditionally seen as outcasts, not normally included in IP or LC processes. In Indonesia, it encouraged a strong IP organization, AMAN, to work through a chapter of the National Forestry Council of Indonesia (Dewan Kehutanan Nasional, DKN) that represents both IPs and LCs. The expectation of inclusion as a norm has likely also helped ensure that gender is given prominence.

In Peru, a history of conflict made it politically impossible to combine IPs in the Amazon Basin with settlers in the same DGM. Nevertheless, the DGM brought the two biggest IP organizations together to create an NSC with broader representation than either organization could manage on its own.

Global component (8)

The DGM has a global component made up of a GSC, comprising representatives from the NSCs, and a GEA chosen through a competitive bidding process. The global component is intended to provide training and offers a platform for learning from experience across countries. The GEA holds side-meetings during major global events such as the COP that provide GSC members with a global platform to advocate for better consideration of IP issues.

4.3.2. Difficulties and dampeners

A process requiring multiple steps held back by fear of taking a risk (9)

The previous section argues that the long process to establish a DGM with global and national components brought the World Bank TTLs and IP leaders together to work towards a common goal. However, the idea that ‘What doesn’t kill you makes you stronger argument’ can only be taken so far.

The initial perception that the DGM was too risky for the World Bank led to delays that, at times, threatened the whole DGM development process. For example, to manage risk, the World Bank requires that a country government provide a letter of ‘no objection’ to any financing to the country that is not made directly to them. This applies to the DGM and can lead to delay.

It could have led to an indefinite delay in Peru, where work on land-titling is politically very sensitive and indigenous organizations are often in direct conflict with the government. In this case, the World Bank discussed the issue with the Ministry of the Environment and agreed that the letter from the Ministry of the Environment indicating that it had delegated responsibility for preparing Saweto DGM Peru to the NSC would be considered to be sufficient evidence of its no objection. The NSC had vehemently opposed a more formal no objection as being contrary to the spirit of the DGM.

Sub-projects also faced challenges in terms of meeting World Bank fiduciary requirements, even with an NEA to act as buffer.

Unclear supervisory relationships (10)

At the core of the DGM design for working on the ground in each country is an NSC that makes the decisions supported by an NEA that plays a secretariat role. However, the supervisory relationship shown in the DGM architecture (Figure 1, Section 1.2) is the World Bank TTL supervising the NEA. This puts the NEA in the position of having a double span of response, which can lead to conflicting instructions and confused responsibilities. The GEA finds itself in a similar position.

While unclear supervisory relationships cause problems, research elsewhere suggests that learning to manage ambiguity is an essential skill in navigating complexity. The DGM is a complex mechanism. Nevertheless, not showing a key supervisory relationship in the depiction of the DGM architecture means it remains confusing.

Valuing the DGM (11)

The DGM project indicators do not capture the dynamic (Figure 7) that drives a successful DGM project. For example, project indicators for Peru include numbers of communities the project has helped secure title and numbers of food security sub-projects implemented satisfactorily. They do not include metrics to measure capacity, trust, political or social capital and whether it is contributing to a positive dynamic able to overcome inevitable constraints or blockages.

Exacting requirements (12)

Exacting World Bank fiduciary requirements proved both a motivator and a dampener. Some NEAs and IPLC organizations found it difficult to meet these requirements and experienced delays as a result. At the

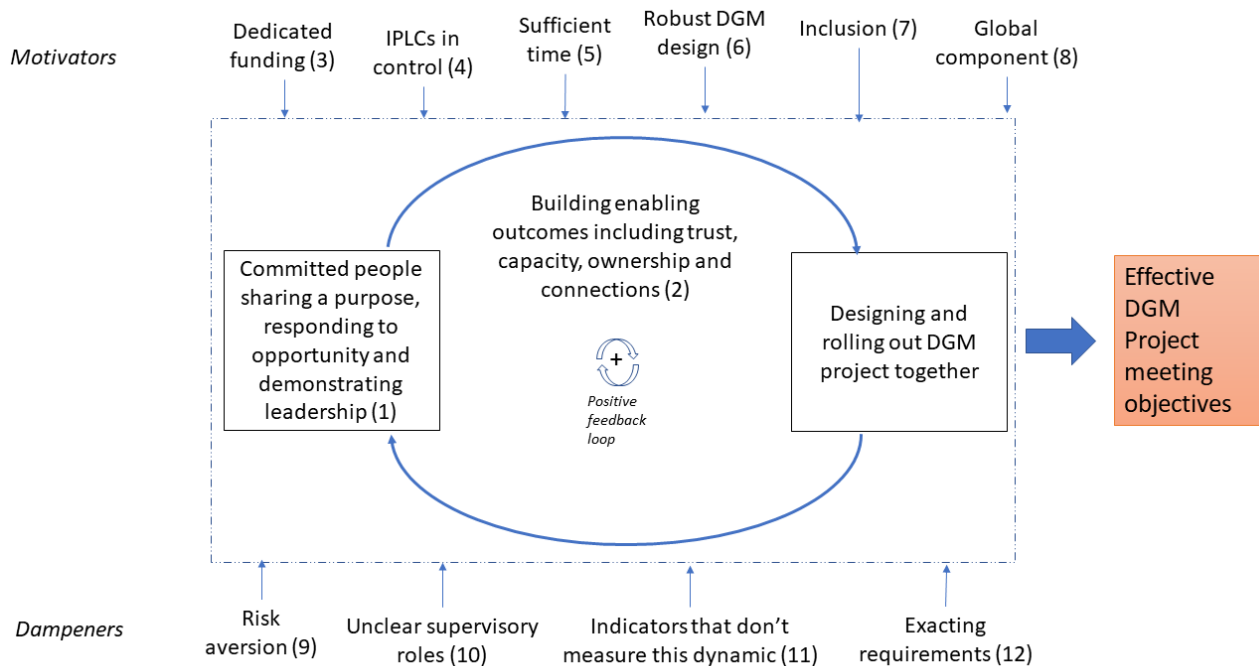
same time, some took pride in eventually meeting the requirements, and having done so may help them to access funding in the future.

4.4. Modeling the history of the DGM

The motivators, success factors, difficulties and dampeners identified from the history of the DGM allow us to build a model of how country-level DGMs are working (Figure 7). The overall result is an ‘Effective DGM project meeting objectives’. The objective, laid out in the DGM theory of change (ToC) (Figure 5, Section 3.7), is to ‘strengthen the capacity of indigenous peoples and local communities to participate in the FIP and other REDD+ programs at local, national, and global levels’.¹²⁶ The model shows the objective is achieved as a result of a positive feedback loop involving the first two success factors listed above – committed people and strengthened capacity – being generated while designing and implementing the DGM. The other success factors and motivators, shown at the top of the diagram, are balanced by difficulties and dampeners on the bottom. The numbers in the model correspond to the text above.

The value of the model, simplistic as it might be, is to emphasize the importance of a positive dynamic driving the DGMs in the countries considered in the Learning Review. This dynamic is missing from the current version of the DGM’s ToC. The dynamic suggests that the DGM process is producing other outcomes in addition to the main objective, particularly in the area of capacity development.

Figure 7: Dynamic driving the DGM



5. Learning from across DGM country-level experience

This section compares the main elements of the country-level DGMs to explore how the overall design has been adapted to different contexts. It provides a detailed description of experience that will be of interest to anyone working on a particular DGM, or interested in setting one up. The detailed description is used to derive insight as to the main differences between country-level DGMs and the reasons for them. This insight is at the end of each of the main sections; readers who wish for an overview should go straight there.

The authors of the review found important differences and learning in the following areas:

1. Main change pathways;
2. Geographic focus, selection and operation of the NSC;
3. Selection and operation of the NEA;
4. Selection of sub-projects;
5. Links to FIP and REDD; and
6. Links to the Global DGM Project.

We take each area in turn. The subsections of this section have been written so that each can be read as a stand-alone piece. There is consequently repeated text in the background of some sections.

5.1. Main change pathways

We found important differences between the main change pathways that the DGMs were taking in each country. Interviewees identified two pathways to impact:

1. Project pathway – through the cumulative impact of the sub-projects that are funded and implemented on the ground;
2. Empowerment pathway – through strengthening IPLC organizations to better manage funds, represent their constituents and engage at a global level.

A project pathway view is that what really matters is impact on the ground. The DGM will help achieve this through implementing larger, more coherent, sub-projects than those normally implemented by IPLC organizations, and with more potential for scaling-up. In this view, failure of individual sub-projects is an indicator that the DGM is not working correctly.

An empowerment pathway view is more normative. It holds that IPs and LCs should be helped to take more control over their development, particularly given a history of marginalization and persecution. The process of setting up a country DGM is one of learning by doing on how to select and support sub-projects to fulfill a collective aspiration. The grant-making process also strengthens a system of representation that helps IPLCs better engage with and manage future funding streams. In this view, failure of sub-projects is to be expected as part of the learning process and is accepted simply as a cost of this learning.

We found key people holding different positions with respect to the two pathways within the same DGM. We explore which pathways make sense under which conditions in the Insight box at the end of the section.

5.1.1. Democratic Republic of Congo

The TTL is clear that the DGM in DRC is taking the empowerment pathway.¹²⁷ The DGM works to strengthen the Network of Indigenous Populations for the Sustainable Management of Forest Ecosystems (Réseau des Populations Autochtones et Locales pour la Gestion Durable des Ecosystèmes Forestiers de la RDC, REPALEF), an organization that represents IPs and LCs. He explained that the DGM would not issue a

call for proposals for sub-projects because this tends to create discord between the various organizations supporting IPLCs and this undermines efforts to build a representative system. His analysis is that calls for proposals set communities in competition with each other for an oversubscribed resource when it should be strengthening commitment to a shared vision. Communities whose bids are not successful may become resentful of the wasted effort they put into developing their proposal.

Communities often lack the capacity to write a proposal and so rely on an external operator to help them. Winning at a competitive call may therefore have more to do with the presence and quality of an external agent than the inherent value of the work proposed. Also, the proposal may reflect the priorities of the external agent rather than what the community itself actually wants.

Instead of a call for proposals, the DGM is using the representative organization it is working with to strengthen (*i.e.*, REPALEF) to identify projects. Communities have a delegate at territorial level who brings the needs from that territory to the NSC, identifies solutions with the NSC and then has a leadership role in implementing a sub-project to put the identified solutions into practice. The sub-projects thus benefit communities but at the same time strengthen the representative system through using it in this way.

5.1.2. Peru

Peru can be seen as pursuing both pathways. Saweto DGM-Peru is similar to the DGM in DRC but works with two representative IP organizations. One of them, the Interethnic Association for the Development of the Peruvian Rainforest (Asociación Interétnica de Desarrollo de la Selva Peruana, AIDSESP), has a national governing council under which sit nine affiliated regional organizations located in the north, center and south of the country. Under the regional organizations sit 109 federations that together represent 1,500 communities and 650,000 people.¹²⁸ The Confederation of Amazonian Nationalities of Peru (Confederación de Nacionalidades Amazónicas del Perú, CONAP), the second organization, also has regional member organizations that represent a smaller but still significant number of indigenous communities in the Peruvian Amazonas.

AIDSESP and CONAP, in their role as the NSC, each nominated nine of their respective regional organizations. These organizations, and only these organizations, are currently eligible to respond to calls for proposals. The NSC decides which proposals, or parts of proposals, are to be financed with DGM resources. Upon request, the NEA provides support in proposal development for organizations that lack the capacity to do so. There were calls for proposals in 2016 and 2017, with a final call planned for this year. This gives the NSC and the 18 organizations the opportunity to ‘learn by doing’ what it takes to develop, review and implement successful sub-projects. In the process, their ability to manage future funds is also increased.

Saweto DGM-Peru has had good success in registering IP communities’ claims to land, an important outcome described in the Outcomes Chapter.

5.1.3. Indonesia

Both pathways are strongly employed by DGM-Indonesia, which has support from the AMAN community network, which represents more than 2,000 indigenous communities throughout Indonesia, reaching about 17 million people. AMAN’s leadership was influential in lobbying for a DGM for IPLCs within FIP and is influential within the NSC. AMAN sees the DGM as helping it raise IP issues up the political agenda in Indonesia and globally, particularly with respect to the highly sensitive issue of land rights. AMAN leadership also sees the DGM as providing a conduit for channeling climate change funding directly to IPLCs in the future, at a greater scale than at present (*i.e.* about \$1 million per year).¹²⁹

DGM-Indonesia launched a competitive call for proposals in 2017. Over 200 proposals were received, of which 21 will be approved (3 for each of Indonesia’s 7 regions). As of February 2018, the NSC was still to meet to select the winning candidates. Some regions sent fewer proposals than others. The NSC leader thinks that the relatively large minimum budget (>\$30,000) and a relatively complicated format were

deterrents in the region he represents (Maluku – which submitted only 7 proposals)¹³⁰ as normally, IP communities apply for grants 10 times smaller than this.

The former TTL said there were discussions about providing independent support to proposal development but this did not happen.¹³¹

5.1.4. Burkina Faso

The DGM in Burkina Faso is starting out on the project pathway. The NSC and NEA expect the greatest impact of the DGM to accrue through its sub-projects *and* the processes through which sub-projects are selected and implemented. In the second call for proposals, the NSC has lowered the amount that each sub-project can apply for (from \$20,000–30,000 in the first call to \$5,000–20,000 in the second) to include more groups in the DGM. Institutional strengthening (empowerment pathway) is still in process in Burkina Faso – the DGM set up a civil society organization (CSO) umbrella body to provide an institutional anchor to the NSC – but, with fewer long-standing IPLC representative groups to strengthen compared with in countries such as Peru, the DGM’s primary objective has been to deliver sub-projects that differ from those that the government and CSOs have been implementing in the past.

5.1.5. Brazil

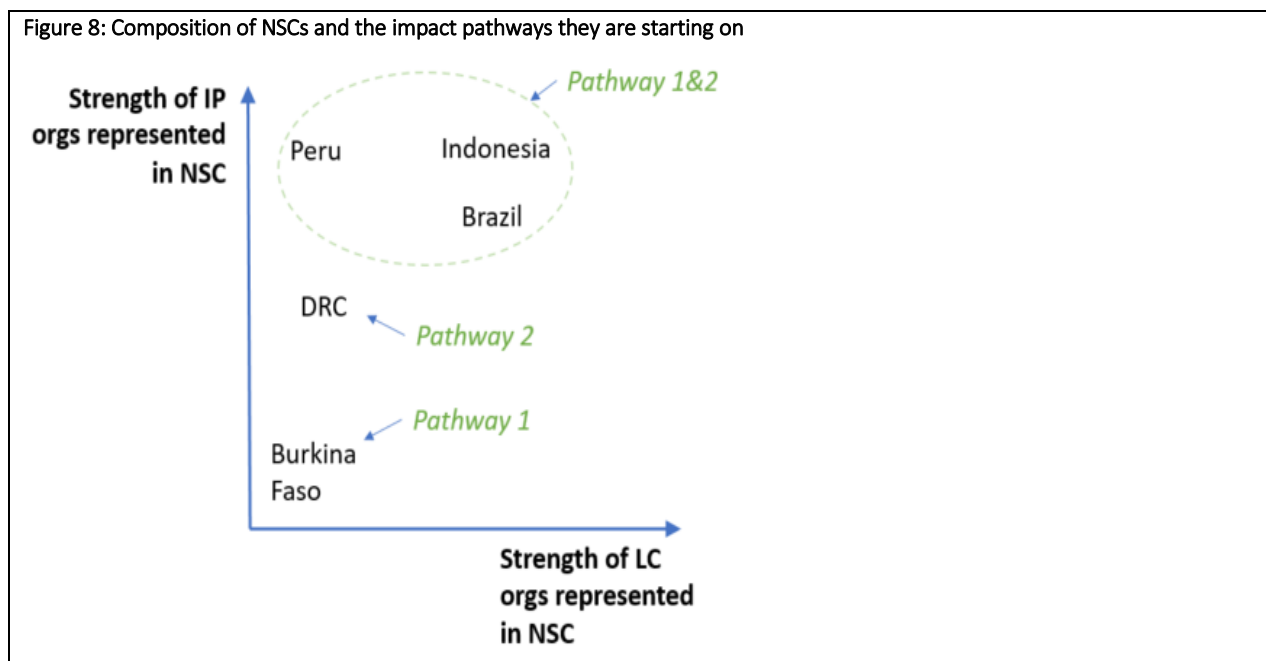
Brazil has started off on the project pathway. The DGM is supporting 60 sub-projects (more than any other country), helping ‘reach indigenous and traditional communities that very often have not had the opportunity to receive any support for their sustainable initiatives. Communities that often still do not have sufficient ability for financial resource management.’¹³² In order to do this, it was decided the NEA would be responsible for part of the financial execution of the sub-projects, and the NEA recruited additional technical and administrative staff to manage the volume of work associated with the sub-projects. NSC members spoken to appreciate this role of the NEA; some see the future of the DGM as scaling up the impact at the community level with more funding (project pathway), but one NSC member expressed a desire for capacity development on financial management (empowerment pathway).

Insight: Project pathway, empowerment pathway or both?

The findings suggest DGM outcomes result from pursuing both impact pathways together. However, those DGMs starting with relatively weak representative organizations should start with the empowerment pathway, to build their ability to represent their constituency. DGMs that need to build an NSC from scratch will need to start with funding sub-projects (project pathway) and use the process of doing so to build an NSC – that is, a representative organization.

Figure 8 plots how the different DGMs are positioned with respect to the relative strength of the IP organizations represented in their NSCs. It shows the main pathways pursued by different countries.

Figure 8: Composition of NSCs and the impact pathways they are starting on



5.2. Geographic focus, selection and operation of the NSC

We found important differences between NSCs established in the six countries in terms of:

- their geographic focus;
- whether they build on existing organizations or establish the NSC as a new institution; and
- whether they work with indigenous people, local communities or both.

In this section, we explore the extent to which these differences can be explained by context, and their possible implications for the operation of the DGM.

The programmatic expectation was that country DGMs coincide with other FIP project areas, that they work with existing organizations where possible and that the NSC include membership of both IP and LC organizations.¹³³

5.2.1. Peru

Geographic focus: The DGM focuses on the Peruvian Amazon, as this is where the highest rate of deforestation and degradation is occurring, and it is also the focus of FIP. In the Amazon Basin, the DGM supports communities that are not being addressed by other FIP projects or other land-titling and sustainable forestry initiatives.

Selection: Peru has a strong national IP organization, AIDESEP, which represents 1,800 indigenous communities in the Amazon Basin. According to the TTL, AIDESEP's position from the start of negotiations with FIP was that only IPs should be included in the DGM.¹³⁴ Other types of community exist in the Amazon Basin, including settlers, or *colonos*, who arrived between the end of the 19th century and the 1960s and more recent economic migrants from the Andes.

Conflicts exist between these groups over claims to land. Several interviewees said that a DGM would have been very difficult to manage if other types of community had been included.

During the early FIP discussions, the World Bank asked AIDESEP to include the other national Amazonian IP organization, CONAP. This was a sensitive subject, as AIDESEP had been the primary representative of the Peruvian Amazon IPs with respect to FIP, but it agreed that the DGM would be stronger if it included CONAP and as a result the indigenous communities that CONAP represented. It is generally agreed that

AIDSESEP played the leadership role during preparation, although both were represented during missions and discussions. The TTL played a major role, spending hundreds of hours aligning expectations on both sides. The NSC was consistent from the beginning that most of the funding should go to sub-projects on the ground and that administrative costs should be minimized. At the time, their position was that the two organizations had sufficient capacity and did not want much of the funding used for meetings and workshops.¹³⁵ However, minimizing the financing for implementation support proved problematic as some of the regional IP organizations did not have sufficient capacity – despite what their representative organizations indicated – and needed significant training and technical assistance in order to prepare their proposals. This is described further in Section 4.3 on NEAs.

After much discussion, it was agreed that a more focused and modest project would be more strategic than one that was ambitious. The World Bank was instrumental in providing technical guidance to the NSC regarding more feasible indicators and activities – a design that would allow the project to shine rather than to fail at trying to solve every issue. For example, it was agreed that any land-titling proposal that included existing third-party disputes would not be eligible because this would likely be very costly and time-consuming and the DGM needed to succeed. The Project Appraisal Document was thorough, including detailed procedures and criteria for the selection, funding and M&E of sub-projects in order to prevent any conflicts of interest and to facilitate implementation.¹³⁶

Operation: The Peru NSC does not include any representatives from the Government of Peru or the World Bank. World Bank worked directly with the NSC to prepare the project, which the TTL found to be unique in her experience. Aide memoires were signed by the World Bank and up to 30 IP signatories. At the time, the relevant vice minister of the environment was very supportive, but there has been a change in government and it is not yet known if this will change.

The NSC has overseen two calls for proposals, in 2016 and 2017. A third round is planned for 2018.

5.2.2. Indonesia

Geographic focus: Indonesia is an archipelago of 17,000 islands with a population of 260 million people. Historically, much has been made of Indonesia being one country, which is reflected in the fact that the *lingua franca* is Bahasa Indonesia, a synthetic language not strongly based on any one of the multiplicity of languages spoken.

Early in the negotiation process, the decision was made that the DGM would cover all of Indonesia's seven regions and also cover both IPs and LCs. Indonesia, like Peru, has a strong IP organization – the AMAN community network – to identify IP representatives to take part in the selection process. AMAN is an independent community organization that works locally, nationally and internationally to represent and advocate for IP issues. It represents more than 2,000 indigenous communities throughout Indonesia, reaching about 17 million people.

Selection: FIP originally approached AMAN to form the basis of the NSC. AMAN does not work with local communities so suggested that setting-up of the NSC should be run by the IPLC chapter of the DKN (the National Forestry Council of Indonesia). DKN subsequently ran a selection process in Indonesia's seven regions using AMAN's infrastructure. The NSC is now made up of one representative from each region, a representative for IP women, a representative for LC women and two non-voting members, one of whom represents DKN and the other government.

Operation: Like AIDSESEP in Peru, AMAN staff have provided intellectual leadership for the design of the DGM. The organization also has a good deal of influence, as several of the NSC members are also members of AMAN. According to a former secretary general of AMAN, the DGM helps the organization advocate for IP issues.¹³⁷ For example, the deputy secretary general of AMAN is also the DGM-Indonesia's nominee to the GSC, where she serves as the co-chair. This role provides an opportunity for her to engage in global processes such as the UNFCCC COPs together with other members of the GSC.

The NSC oversaw the first call for proposals in 2017. As of February 2018, the winning bids had not been identified.

According to the NSC chair,¹³⁸ the NSC and NEA have agreed in principle to continue with the DGM after FIP funding finishes in 2021. They will agree a design to take forward by 2019 and start fund-raising in the same year.

5.2.3. Burkina Faso

Geographic focus: In Burkina Faso, the DGM works within the five regions and thirty-two communes where FIP works. The DGM works exclusively with local communities, as Burkina Faso does not recognize IPs as per the World Bank definition.

Selection: The NSC was a new entity developed for the DGM. It was established under a National Transitional Committee of CSOs comprising six CSOs, which worked closely with the World Bank to lead a series of national and regional consultations on the DGM constitution. The six CSOs developed and enacted a roadmap for creating the NSC.

As part of the roadmap, it was recommended that a national platform be created for CSOs to engage with REDD. Six NSC members became part of this platform, which includes representation from five CSOs. The platform has a broader geographic coverage than the DGM and is working towards forestry protection through improving the regulatory framework and facilitating sub-projects aimed at reducing deforestation. It is intended as an institutional anchor for the DGM, and the NSC is a 'specialized committee' of the National REDD Platform. The platform is seeking funding to extend its life beyond FIP and sees both the principles and the mechanism of the DGM as being important for impact.

Operation: The NSC comprises 11 voting members, who are local-level operators elected by the communities within sub-divisions of the 5 FIP regions. Candidates for election were required to have worked on some form of environmental project within their area but did not have national-level roles. The NSC also contains 14 non-voting members playing observer and technical roles. These include four representatives from civil society (one of whom acts as chair), four government observers, two territorial representatives, a private sector observer and technical and financial specialists.

5.2.4. Democratic Republic of Congo

Geographic focus: Initially, a decision was made to work in the three areas of deforestation that FIP had chosen but FIP project areas were too small and the areas of deforestation too large to cover adequately. After negotiation, it was decided to focus on 16 out of the 192 territories in the country.

Selection: The DGM works to strengthen REPALF as an organization to represent the political and developmental aspirations of IPs and the LCs that share a territory, lifestyle and culture with them. REPALF was created out of a process to develop a strategic framework to support IPs in DRC that the World Bank had been involved in 10 years previously.

The World Bank commissioned REPALF to run the selection process for the NSC. This involved elections in each of the 16 territories. The rationale for employing REPALF to do the work was that this would help build the organization's visibility. The election process involved using REPALF focal points in the respective territories to hold an election to nominate a member of the NSC, and a replacement. Eight other members were co-opted from REPALF's main lobbying organizations, most of them based in Kinshasa. The idea is that delegates from the territories should make up two-thirds of the membership so that they themselves can reach the necessary two-thirds majority on big decisions should this be required.

Operation: The NSC made up of 24 members is relatively large compared with other NSCs. To facilitate its smooth operation, the NSC has a technical secretariat made up of five members who closely monitor the work of the NEA. The logistics of NSC meetings and writing the minutes are the responsibility of the NEA. However, the substantive agenda of the meetings is developed jointly with the NSC technical secretariat.

The TTL used a useful analogy with government to explain this structure: the NSC is the national assembly, the NSC technical secretariat represents the ministers and the NEA is the civil service.

Running the NSC has proved expensive. Bringing territorial delegates to Kinshasa involved more than a day in travel and relatively expensive flights, costing on average \$1,500 per delegate including accommodation. There were five NSC meetings before the project was approved. In retrospect, the TTL thinks it would have been better to start with fewer territories.¹³⁹ However, strengthening and running representative organizations does require that people travel to meetings, and therefore these costs have to be accepted and budgeted for.

5.2.5. Brazil

Geographic focus: Set up in April 2015, the DGM in Brazil has been supporting sub-projects across much of Brazil's Cerrado, a savanna biome spanning an area of over 2 million km² across 10 Brazilian states. Brazil's DGM is restricted to this biome, which is home to 15% of Brazil's population, including IPs, traditional communities and quilombolas, made up mainly of people of African descent.

Selection: Brazil's NSC comprises nine voting members, including 6 IPLC representatives as well as three representatives of the Brazilian government. Presence of the three government representatives on the NSC helps keep its members updated on political developments and *vice versa*.

Operation: The six IPLCs have been selected from the following groups: IPs (three) and traditional communities (three), and are joined by three government counterparts and nine 'Alternates.' For some of these groups, the DGM has been the first mechanism encouraging their participation. Quilombola communities, for example, said that they had never really been invited to take part in anything like this before. The DGM has become perceived as a tool for improving the capacity of IPLCs, as well as their coordination and visibility, which offers them an alternative means for protecting their rights and access to livelihood resources.

5.2.6. Nepal

Nepal is in the process of selecting its NSC. The process for the establishment of the DGM in Nepal, including the NSC, is reliant on the FIP process that is currently being rolled out in the country. The Interim Steering Committee was formed in 2016, in the process of submitting Nepal's expression of interest for the FIP (CIF, 2016), and comprises 12 voting members, 10 alternate members and a government observer who is a representative of the REDD Implementation Center under the Ministry for Environment and Forests.

As the focal point for the DGM, the REDD Implementation Center plays a key role in supporting NSC selection, including managing the call for proposals and selection of an IP organization, the Center for Indigenous Peoples' Research and Development (CIPRED), to coordinate the NSC consultation process. The consultation process is being combined with the FIP consultations to disseminate FIP for Nepal.

Through the FIP consultation process, CIPRED is coordinating consultations at district, regional and national level to both raise awareness of the DGM and coordinate the NSC selection. Once set up, the NSC is to develop ToR for the NEA. The World Bank is to provide additional funding for seven provincial-level consultations to support this process.

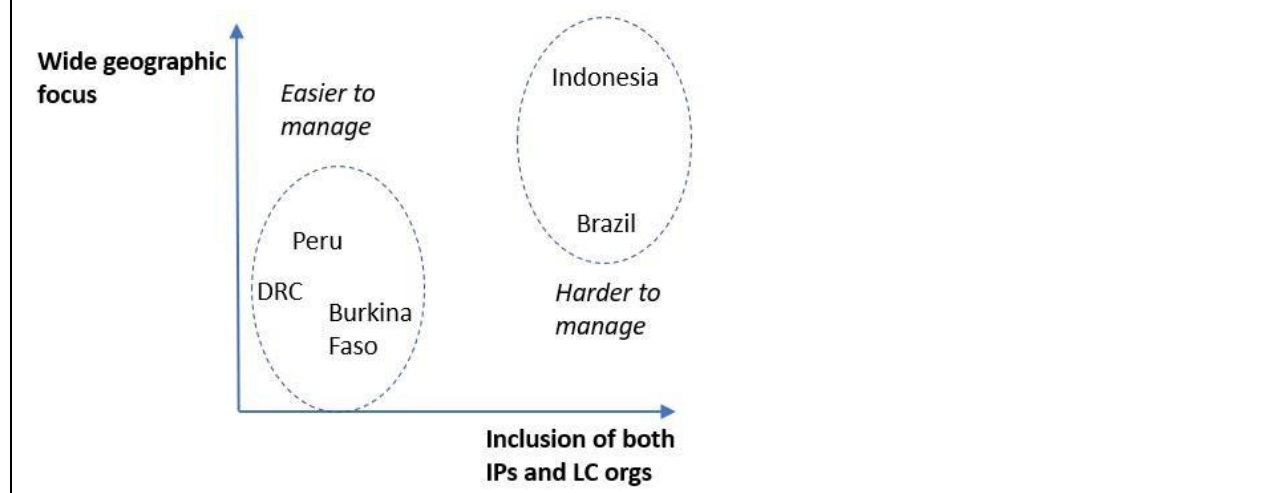
Insight: A DGM that is inclusive and covers a large area is harder to manage but more attractive to donors

Covering a large geographic area and selecting and managing an NSC that includes both IP and LC organizations adds complexity to establishing a country DGM. As Figure 9 shows, DGM Indonesia lies at one end of the spectrum, working with both IPs and LCs across the whole archipelago of 17,000 islands, while Peru, Burkina Faso and DRC lie at the other. Although working with only IPs or LCs in a

geographically defined area makes implementing the DGM more manageable, it also makes the mechanism less inclusive and may be less attractive to donors as a funding pipeline.

Managing a large NSC also adds complexity. DGM-DRC established a technical secretariat to help manage its NSC of 24 members.

Figure 9: A plot of geographic spread against the level of inclusion of both LCs and IPs in the NSC



5.3. Selection and operation of the NEA

We found important differences between the technical capacity of NEAs, their links to IPLC organizations and their role with respect to the NSC. In this section we describe these features for each country included in the Review. The programmatic expectation was that the NEA should be a 'not-for-profit and non-state organization that meets the programmatic, fiduciary and safeguards requirements of the World Bank'.¹⁴⁰

5.3.1. Peru

Selection: In Peru, the NSC selected the Worldwide Fund for Nature (WWF-Peru) as the NEA in October 2014. As so much time had been spent on project design during project preparation, it was assumed that the WWF-Peru could immediately begin implementation and launch a call for proposals, based on the provisions of the Project Appraisal Document and the preparatory work already done. For example, the geographic focus, eligible activities and templates for the executing agreements had already been identified.

Operation: WWF-Peru found that the 18 organizations needed significant capacity-building in order to be able to write proposals and implement sub-projects according to the project design and World Bank requirements.¹⁴¹ It spent a year holding workshops with each of the 18 IP organizations (ironic as the NSC did not want any resources to be spent on workshops or training). WWF-Peru felt that the funding given to it as the NEA did not cover this work, and it covered the costs with a \$500,000 grant from Norway's International Climate and Forest Initiative. The TTL reflected that it would have been better to have engaged the NEA earlier in the project preparation process so that it could have been part of the discussion and better understood the logic and design of the project.¹⁴² There was definitely some misunderstanding on the part of the NEA regarding the project design in the first year of implementation.

The first sub-projects were approved in the second half of 2016 and a second round a year later. The sub-projects are being implemented by representative organizations that generally work to advocate on behalf of their member organizations. As such, they are not necessarily technical organizations that have experience preparing and implementing development projects. WWF-Peru has found it has had to play an important mentoring and capacity development role in helping some of the technically weaker organizations to manage funds for, implement and report on the results of their sub-projects. The

strategic vision of the NSC is that the DGM will turn IP communities and their organizations from being beneficiaries (subjects) of development interventions into direct implementers of their own sub-projects. To make this a reality, however, WWF-Peru finds itself coaching communities to take more responsibility and ownership – not just to expect handouts – while at the same time coaching the IP organization to be participatory, fiscally responsible and transparent.¹⁴³ This has been a transformative impact of the project, although it also delayed some of the early implementation progress.

Links to IPLCs: WWF-Peru has strengthened its relationship with IP organizations in Peru as a result of being the NEA.¹⁴⁴ The NEA has also started working on aquaculture and forest management for the first time and was able to win a German-funded (BMZ) project to complement DGM livelihoods work.¹⁴⁵

5.3.2. Indonesia

Selection: In Indonesia, the NEA was selected in 2016, more than two years after the NSC was selected. The NEA is Samdhana Institute, chosen primarily because it has experience of providing small grants to IPLCs in Indonesia. Samdhana Institute has close links with AMAN: a number of its fellows are also members of that organization. AMAN has in the past transferred one of its projects to Samdhana Institute, when it felt that implementation was affecting the network's ability to be representative of IP issues.

Operation: As of February 2018, there was some frustration in the NEA with the time it was taking to decide the winning sub-projects from the first call and to disburse the funding. This was in part because it took three months for the NEA and World Bank to agree on the number and terms of reference of the consultants required to deal with an unexpectedly high number of applications.

Links to IPLCs: Samdhana Institute prides itself on its flexible application process and the quick turnaround on the small grants it gives to IP groups as part of its normal operation. It was expecting that the World Bank would accept its procedures, as do other international funding agencies. To avoid reputational risk associated with delays in providing funding, and to better meet World Bank expectations, the NEA has now established a dedicated unit to handle DGM disbursements.

5.3.3. Democratic Republic of Congo

Selection: In DRC, the NSC received applications for the NEA role from all major conservation organizations operating in DRC. The Wildlife Conservation Society (WCS) was originally selected to be the NEA. WCS withdrew after negotiations were well advanced, possibly when it became fully clear that it would be expected to take fiduciary responsibility but without being in control of the strategic direction the project would take or of the technical input to be provided. WCS's withdrawal also coincided with a change in leadership in the organization.

The NSC selected Caritas to replace WCS. Caritas is an organization of the Roman Catholic Church that 'works with the poor, vulnerable and excluded, regardless of race or religion'. The NSC selected Caritas purely to be a fiduciary agent, for which it is well qualified: Caritas' network of churches is more extensive in rural areas than any bank and its fiduciary capacity is sufficiently good that Caritas is used to pay the salaries of teachers and other civil servants in remote parts of the country.

Operation: Caritas set up a Territorial Monitoring Committee in each territory and local NGOs to conduct a participatory sub-project identification process, with the final choice of priorities for sub-projects carried out publicly. Caritas has also engaged 10 IP organizations plus a quality control and capacity-building support operator to help communities develop their proposals. Local Caritas offices are helping communities with reporting and other logistics.

Caritas will also find local agencies to execute sub-projects that have been defined by consensus. The competitive process is only to select the contractor to run the sub-projects, the substance of which has already been agreed. This is different from in Brazil, Burkina Faso and Indonesia, where sub-project concepts and contractors are decided competitively through calls for proposals.

Links to IPLCs: Caritas has no mandate to speak on behalf of IPs or capacity to work on forest-related issues; this helps ensure the NEA's role is to support implementation and strategic direction comes from the NSC.

5.3.4. Burkina Faso

Selection: The NSC in Burkina Faso selected the International Union for the Conservation of Nature (IUCN) to be the NEA. The organization has an NRM focus and is also experienced with procurement modalities similar to those used in the DGM. IUCN already had a national and local presence in Burkina Faso (as well as a Regional Office for West Africa in Ouagadougou). It was one of a number of organizations that were familiar with the DGM design processes taking place at the global level before taking part in the call to tender for the NEA role. IUCN believes it was selected because of its experience in providing strong local-level coordination of capacity-building, reporting and sharing learning, tasks that it continues to provide to the sub-projects.

In the DGM, IUCN provides the NSC with capacity-building to administer the grants, and the two have a defined share of responsibilities, especially in the process of issuing calls for proposals. The NEA provides the procedural back-stopping (*e.g.* technical guidance on a ToR structure or assessing the administrative compliance of sub-project applications), whereas the NSC makes the substantive decisions on the direction and content of the DGM.

Operation: The two conduct the pre-selection site visits together, and the NEA leads the capacity-building for selected sub-projects before they start. After this, the NSC representative is the first port of call for community or sub-project queries, but community implementers also have access to the NEA via toll-free phones provided by the NEA. NSC and community members say they resort to the NEA on matters where they are unsure of the requirements; social and environmental safeguards are one of these.

The NSC said that it and the NEA validate each other throughout this process, but that the NSC has the final decision. For instance, if the NEA believes a specific capacity-building is needed at the local level, the NSC's approval is required. As well as the capacity-building, the NEA delivers specific activities, such as commissioning studies on local-level capacities and traditional knowledge and supporting the reporting processes of the sub-projects.

5.3.5. Brazil

Selection: The Center for Alternative Agriculture of Northern Minas (Caixa de Assistência dos Advogados de Minas Gerais, CAA/MG) was selected as Brazil's NEA by representatives from pre-existing IPLC networks and movements in January 2015. The NEA is supporting the total of 60 sub-projects at various stages of the project cycle across the Cerrado biome. It has selected 41 sub-projects, which it currently supports. A further 19 have recently been selected for a second funding round.

Operation: NEA's support to sub-projects varies from workshops to spread awareness about DGM funding prior to a call for proposals, to collating expressions of interest, preliminary assessment of expressions of interest and passing on the ones that meet the pre-selection criteria to the NSC for its pre-selection for funding. The NEA then conducts site visits to all sub-project candidates selected by the NSC to check whether the sub-projects have been elaborated with the participation of the community and have taken environment and social safeguards into account. It also collects baseline data – a starting point for sub-project M&E. It then prepares a final report for each candidate that it sends to the NSC for final approval. The NEA provides capacity-building support to the sub-projects as well as the NSC and wider IPLC networks and movements more broadly. This takes the form of workshops and seminars on the DGM and other funding available to communities. After the NSC's approval, the NEA ran an on-boarding and capacity-building workshop for all selected sub-projects – introducing them to project management procedures and the NEA's online reporting system.

Links to IPLCs: The NEA has also engaged IPs and LCs in public policy-related discussions and forums on issues around climate and deforestation. As a result, capacity has been developed for current and future DGM sub-projects, as well as awareness in neighboring communities that may become eligible for similar funding in the future. The opportunity for members of these communities to meet and initiate conversations is also perceived as beneficial and contributing to their capacity-building.

The NEA has worked with the World Bank to overcome the difficulties it and IPLC organizations face. The rules are designed for interventions much bigger than those supported by the DGM. An example of this is the World Bank’s requirement for public procurement as opposed to direct contracting of experts with local ‘know how’, which some sub-projects deemed more suitable.¹⁴⁶

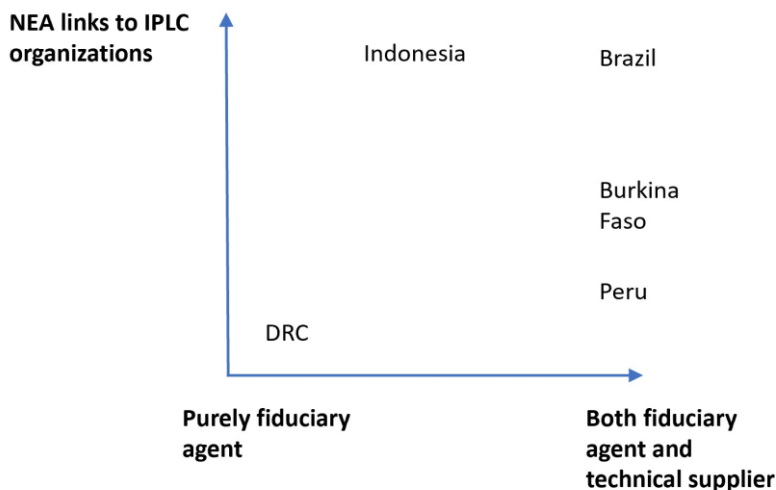
Insight: NEAs must be competent fiduciary agents but not necessarily technical agents or linked to IPLCs

DRC lies at one end of the spectrum, having appointed a NEA that has neither technical capacity nor prior links to IP organizations; its role is simply to be a fiduciary (pass-through) agent. Burkina Faso and Peru lie at the other end of the spectrum, with NEAs that are INGOs with strong technical capacity, that have prior history with IP organizations and that can provide technical support to sub-projects.

The advantage of having a NEA that functions purely as a fiduciary agent is that it will not try to impose its technical agenda on the NSC. However, technical and capacity-development inputs to support the implementation of sub-projects will need to come from somewhere. The advantage of having an NEA with strong technical capabilities is that it is well positioned to identify and supply capacity development and mentoring to sub-projects, both to the communities and to the organizations that have received the funding. The ideal is to have an NEA with strong technical capacity that also has strong links to IPLCs, or is an IPLC organization, so that its goals closely align with those of the NSC.

The other key difference relates to whether or not the NEA has established links to IPLC organizations. Figure 10 shows that, when plotted against these two dimensions, the NEAs are different, with DRC at one extreme and Brazil at the other. Both choices are working in their respective contexts.

Figure 10: Differences in NEAs



5.4. Selection of sub-projects and the organizations that run them

In this section we examine similarities and differences between how NEAs and NSCs have selected sub-projects and the organizations that run them.

In the overall design of the DGM, the NSC is responsible for selecting sub-projects for funding.¹⁴⁷ The NEA is the secretariat for the NSC and in most countries runs the call for proposals and provides the NSC with a

shortlist. The main differences relate to whether the country uses a competitive or non-competitive procurement model and the focus of the sub-projects themselves.

5.4.1. Burkina Faso and Indonesia

Indonesia and Burkina Faso used competitive procurement by issuing a broad call for proposals open to qualifying organizations on specific topics. Both countries received more applications than anticipated: 200 and 651, respectively. Both country teams have been concerned about how to deal with disappointment generated by the large number of unsuccessful applications. Being a competitive call, the respective NEAs were limited in the support they could provide to proposal development to be fair to all entrants. Institutionally weaker organizations struggled to submit a proposal even if the idea was good.¹⁴⁸

In **Burkina Faso**, the first call was for proposals focused on NRM and income-generating sub-projects. Eligible topics included:

- Producing handicrafts;
- Establishment of community cyber shops;
- Promotion of non-timber forestry products (processing, marketing);
- Promotion of livestock activities (processing, marketing);
- Promotion of agroforestry (tree nurseries);
- Promotion of agricultural products and by-products (processing, marketing); and
- Promotion of renewable energies (biogas plants, improved stoves).

The proposals in **Indonesia** were all related to land rights. Topics included:

- Pursuing legal recognition of communal rights;
- Capacity-building and support for increased land ownership of IPLCs;
- Applying for social forestry permits;
- Pursuing recognition under Indonesia's Village Law; and
- Capacity-building to improve IPLC livelihoods.

5.4.2. Peru

Peru, as did DRC, chose a largely non-competitive (commissioned) procurement model. The World Bank and the NSC identified a menu of eligible activities during project preparation as a way to accelerate implementation. As there are a limited number of regional-level indigenous organizations working in the Amazon, it was also decided to name them, to avoid possible disputes during implementation. The 18 regional-level indigenous organizations are affiliated with either AIDSESP or CONAP, the two national-level organizations that constitute the NSC. The majority of IP communities in the Peruvian Amazon are members of these organizations. The capacity of the regional organizations, however, varies greatly, from organizations with decades of experience managing development projects and interacting with international donors to others that are institutionally much less strong.

For the Saweto DGM-Peru, regional organizations submit 'master proposals' containing three types of sub-project: native community recognition; registering community land titles; and communal forest management. Each organization can propose a set of sub-projects to benefit several communities. If the NSC approves, the organization signs an executing agreement with the NEA to implement each sub-project. The NEA worked with the organizations that needed help developing their proposals and with reporting.

In the second call, the same organizations wrote another set of proposals to benefit other communities. However, four of the eligible organizations did not apply because of organizational problems implementing their first call sub-projects. These organizations are seeking to rectify issues so as to qualify themselves for the third call. Other organizations successfully applied for more sub-projects than in the first round.¹⁴⁹

There is evidence that the NSC and NEA are also learning in the process: in the second round the call was for forest management sub-projects that build on existing community endeavors rather than new undertakings, so as to make sub-project success more likely. There is also evidence of innovation. According to several respondents, Saweto DGM-Peru is the leading agency in the country with respect to helping IP communities gain recognition of their claim to land. As of the end of 2017, the sub-projects had helped 133 communities achieve recognition. AIDSESP and CONAP are actively advocating for other agencies, such as the Inter-American Development Bank, to use their approach.

5.4.3. Democratic Republic of Congo

In DRC, unlike in Peru, the topics of the sub-projects and the communities that will implement them are agreed first through consensus in a public process. The NSC then selects local IP organizations to help communities develop their proposals while the NEA selects contractors to implement them. The TTL believes strongly that non-competitive procurement works better if the objective is institutional strengthening – that is, the empowerment pathway, as described above.¹⁵⁰ In this model, sub-projects and the process for selecting them are opportunities for learning by doing at different institutional levels.

In both DRC and Peru, taking a non-competitive route has allowed the NEA to provide more help in proposal development than is possible through competitive procurement.

5.4.4. Brazil

The NEA launched a competitive call for proposals in the Cerrado region in January 2015 for sub-project proposals to support NRM, markets and immediate threats to the region. It received 158 applications, out of which it is currently supporting 41 sub-projects. A further 19 have recently been selected for the second funding round.

Funding to sub-projects was delayed by the back and forth between the NEA and the World Bank about the Bank's fiduciary requirements, which were difficult for some sub-projects to meet. At issue were rules about financial execution and procurement rules for sourcing of services by sub-projects. Further delays were the result of having to wait for the World Bank's replies and approvals. In order to accommodate the incremental operating costs incurred by sub-project teams, Brazil's DGM had to restructure, with the new structure approved in May 2017. By June 2017, more than two years after the call, only 16 of its 41 first round sub-grant agreements had been signed.

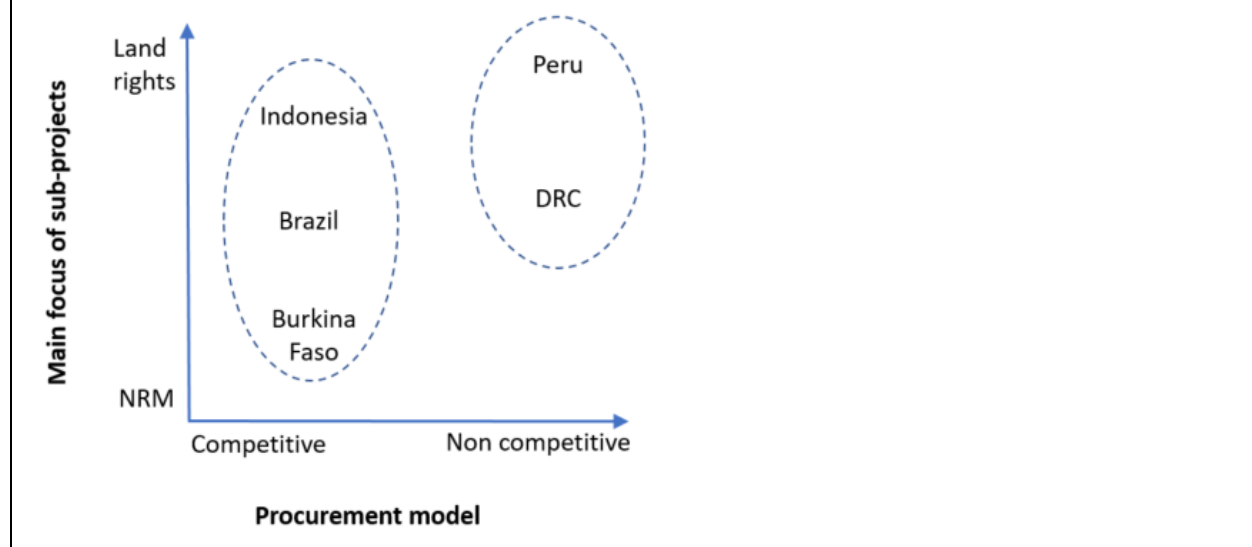
Insight: Whether to opt for competitive or commissioned calls for proposals

The countries fall into two groups (Figure 11): those that use a competitive procurement model and those that use a non-competitive one. Non-competitive procurement fits better with the empowerment pathway because it allows the DGM to help institutional weaker organizations develop their proposals and strengthen their ability to manage the funds. Competitive calls work better for the project pathway by efficiently choosing the best technical sub-projects.

DGMs in Brazil and Indonesia have encountered a number of delays in awarding sub-projects on the basis of a competitive call, largely because of the volume of interest generated and because of issues related to compliance with the procurement process.

Security of land tenure is known to enable NRM interventions because farmers are more likely to take care of land to which they have rights.¹⁵¹ The DGMs securing the most impact are likely to be those that use non-competitive procurement and fund work on land tenure security.

Figure 11: Procurement model for sub-projects and their focus



5.5. Links to REDD and FIP

According to the DGM ToC,¹⁵² the overall objective of the mechanism is for IPLCs to have an increased role in FIP and other REDD programs at local, national and global scales. We found differences across countries in the extent to which this was the case, which are described here.

5.5.1. Peru

REDD: In Peru, IP organizations have adopted Amazon Indigenous REDD¹⁵³ (REDD Indígena Amazónico, RIA) as a way of engaging with REDD on their own terms. RIA values the integrity of indigenous lands and forests ecosystem services; it goes beyond carbon capture as it encourages the adoption of an integral vision and a wide approach to incorporate other goods and services that forests provide. RIA was collectively developed by Amazon Basin IPs coordinated by the regional organization Coordinator of Indigenous Organizations of the Amazon Basin (Coordinadora de las Organizaciones Indígenas de la Cuenca Amazónica, COICA).

WWF-Peru has been providing technical assistance to the implementation of RIA in Colombia, Ecuador and Peru. Implementation of RIA starts with securing IP rights to their land. The argument is that doing so will mean the forest will be better managed and will sequester more carbon.

Beyond providing rights to land, WWF-Peru is finding RIA difficult to operationalize because it is more normative than REDD. REDD is conceptually simpler, involving paying countries for reducing greenhouse gas emissions by conserving their forests. Nevertheless, after 10 years, few, if any REDD agreements have been reached. There is a widely held view that REDD is institutionally too demanding to operate in most DGM countries. Furthermore, forest-dwellers place higher value on the range of products and services that RIA embraces than they do on simple cash payments.

FIP: Saweto DGM-Peru started before other FIP projects, which was not the case in other DGM countries. The organization Law, Environment and Natural Resources (Derecho, Ambiente y Recursos Naturales, DAR) is the current civil society observer of FIP for Latin America. According to its Amazon Program specialist,¹⁵⁴ other FIP projects are due to start in 2019, after more than four years of negotiation with

government. Exceptionally, the DGM has been operating since 2015, in part because the Ministry of the Environment delegated responsibility for preparing the DGM to the NSC in 2013.

DAR's Amazon Program specialist has seen few operational links between the DGM and other FIP projects, and views them as quite different, given that the DGM is led by IP organizations. She thinks that, in the future, joint monitoring will provide an opportunity for the DGM and other FIP projects to work together more closely. The TTL says that AIDSESEP has been an important member of the FIP Steering Committee in Peru and has succeeded in negotiating set-asides for IPs in each of the other FIP projects.

Delays in starting projects are not limited to FIP: CSOs have also been advocating to secure funds from other initiatives, including from Norway. In the case of FIP, part of the problem is that the Ministry of the Economy has changed the way in which the country receives foreign investment. This makes the fact that Saweto DGM-Peru is up and running even more remarkable.

5.5.2. Indonesia

REDD: As in Peru, the AMAN leadership sees granting IP rights to land as key to reducing deforestation and believes that IPs embrace a broader understanding of forest stewardship than that reflected in REDD. The AMAN secretary general from 2007 to 2017 believes that Indonesia's emission targets have provided an opportunity for making significant progress on land rights. The argument he makes is that the targets can be reached only if the government renegotiates the concessions it has already given to the mining and palm oil industries. Provision of rights to IPs provides a strong moral basis for the government to proceed, as well as being a proven way of improving forest management. He is optimistic that this strategy can work because the current president supports IP rights.

FIP: AMAN leadership is clear that the DGM needs to be independent from government to have credibility with IPs in Indonesia. For this reason, DGM-Indonesia must be seen to be independent of other FIP projects that work with government, as well as from the World Bank. Nevertheless, some links exist; for example, the non-voting government representative on the NSC was until recently was also the country FIP representative. AMAN is happy that being part of FIP means that IP issues are given prominence at high levels within government.

5.5.3. Democratic Republic of Congo

REDD: In DRC the DGM is seen as having a wide remit, supporting IPLCs' inclusion in REDD and FIP but also beyond this, linking IPLCs to national, regional and international agendas. The NSC members spoken to saw REDD connections as connecting IPLCs to climate change processes, but, as mentioned above, greater importance appears to be attached to land-titling (which is written into the DRC-DGM's first objective).

FIP: Geographically, the FIP operates in three basins where deforestation is prevalent; the DGM initially intended to work within the same zones but expanded out because there were few IPs within those areas. The FIP 'project areas' were considered too small for the DGM to operate in and so the DGM sought IPLC representation from the FIP Investment Areas, which are larger. The DGM works in the eight FIP provinces, but also in eleven outside of them. The government is said to have facilitated the IPLC representatives in covering their geographic area, by assigning FIP budget to cover IPLC travel costs.

5.5.4. Burkina Faso

REDD: The DGM's connections to REDD are channeled through the National Platform set up at the same time as the NSC. The DGM is required to generate lessons on local-level approaches that can feed into the national-level REDD process. The DGM is closely connected to FIP in Burkina Faso and operates in the five regions where FIP is working. It has a strong relationship with FIP that was formalized by a protocol in August 2017. The DGM allows FIP to say it has already started work at community level. Channeling funding through the DGM has proved easier than using the government channels that other FIP projects

have to use, hence other FIP projects have been slower to start. Other FIP projects have also started using the DGM GRM.

FIP: NSC members have begun playing an advisory role for FIP project planning on the ground, including explaining FIP to villagers and commenting on project feasibility. They will play a monitoring role once implementation begins. While the relationship with FIP is central, NSC members believe that the DGM can work outside the forestry sector, in education and health.

5.5.5. Brazil

REDD: In Brazil, the DGM is said by NSC members to have brought communities into REDD discussions for the first time. Overall, the NEA considers that, while community participation is at a low level, it is important for ensuring resources reach the IPs and in generating recognition of the role IPLCs play in preserving the forest, and hence deserves perseverance. The DGM has been providing capacity-building relevant to REDD, for example by carrying out training on the design of M&E systems for REDD safeguards.

5.5.6. Nepal

REDD: Members of the Interim Steering Committee in Nepal see the potential for the DGM to support government initiatives, creating a 'win-win situation' in which IPs build capacity and receive funding to implement sub-projects through the DGM. In turn, the DGM can contribute to government targets by participating in government-led initiatives for forestry and climate change.

There is an understanding that IPLC capacity-building through the DGM could enable IPLCs to engage more fully in alternative government initiatives that support shared objectives of REDD and DGM, such as those relating to biodiversity conservation, poverty reduction, livelihoods improvement and climate change mitigation. In addition, it was pointed out that the DGM's focus on ground-level activity could support the objective of the government's Local Adaptation Plan of Action to ensure that 80% of climate change resources reach communities.

FIP: The DGM has been negotiated as part of FIP in Nepal, rather than as a more separate entity, as in some other countries (*e.g.* Indonesia, Peru).

Insight: DGM has helped linked IPLCs to FIP and REDD but not in the manner expected

In practice, the DGM and other FIP projects have followed different timelines, which has made close collaboration difficult. In Indonesia, the NSC has established the DGM as independent from FIP, so as to retain its own political independence from government and large multilateral organizations. In Peru, which also has strong IP organizations traditionally suspicious of government, this has been less of an issue, possibly because other FIP projects have not started. In all countries, DGM–FIP links exist. IP organizations prefer a more holistic view of REDD that goes beyond carbon capture. Nevertheless, they increasingly see REDD as an opportunity to lobby for land rights for IPs, using the argument that IPs are good custodians of the forest.

6. Operation of the global component of the DGM

This section reviews the achievements and issues facing the Global Learning and Knowledge Exchange Project (DGM Global), which was established to support the global-level activities of the DGM. It also reviews the DGM Grievance Redress Mechanism (GRM). The history of DGM Global is described in Section 3.1. We expect this section to be of specific interest to DGM participants and to anyone interested in the details of setting up and running a DGM.

6.1. DGM Global objectives and purpose

The objective of DGM Global is 'to organize and facilitate knowledge exchange, learning and capacity-building for IPLCs at regional and global levels, and to strengthen the networks and alliances of IPLC organizations within and across regions with a view to enhancing their representation and voice in regional and global policy fora'.¹⁵⁵ To achieve this, DGM Global works on three components under the leadership of the GSC and with the support of CI as the GEA:

1. **Global outreach, information-sharing and capacity development** to strengthen global and regional IPLC networks;
2. **Technical and secretariat** services to facilitate the effective oversight and leadership of the GSC and to help with the establishment and implementation of DGM country projects; and
3. **Planning, monitoring and reporting** on the progress of the DGM in achieving its objective.

Activities under the three components interact to support one another.¹⁵⁶ Components 1 and 2 work together to provide IPLC representatives with the opportunity to engage and bring issues to regional and global fora, while also building their capacity and motivation through GSC activities such as knowledge exchange, sub-committee responsibilities and working with other IPLC organizations. Component 3 interacts with the former two components by generating information that can be shared via outreach, capacity-building and learning activities to add value to outreach and leadership activities. As such, the components should not be considered in isolation, but instead complement one another to add value to each.

A recent mid-term review of DGM Global, conducted by representatives of the World Bank and CI, found progress against each of these components, concluding that implementation to date was well advanced.¹⁵⁷

6.2. Outreach, information-sharing and capacity development

Appendix 7 lists the main activities carried out by DGM Global since it began operating in 2015. It shows that 22 activities have been primarily within Component 1 on outreach. Table 3 summarizes the types of outreach activity: outreach has largely involved funding IPLC representatives to attend global events and facilitating global and regional knowledge exchanges between IPLC representatives. For example, in 2015, the GEA funded the participation of DGM representatives at two side-events it organized at COP21 in Paris. Similarly, in 2016, the GEA hosted the DGM Global Exchange on Climate Policy and Finance in Marrakech, which gave an opportunity for IPLC representatives to share ideas and develop a common platform to present at COP22 on Intended Nationally Determined Contributions and IPLC access to climate funding.

Table 3: Main outreach activities carried out by the Global DGM

Type of outreach activity	Examples	No.
Funding IPLC representatives to attend global events	COP21, 22 and 23; 16th Session of UNPFII	7
Hosting regional knowledge exchanges between DGM countries	Asia, Africa and Latin America regional exchanges	7
Representing the DGM on the global stage	DGM presented at the World Forestry Congress and IUCN World Conservation Congress	4
Hosting DGM global exchanges	Global Exchange on Climate Policy and Finance	2
Exploring opportunities for sustaining and scaling the DGM	Exploring opportunities for collaboration with the Norwegian Agency for Development Cooperation (Norad), the GEF Small Grants Program and the International Fund for Agricultural Development (IFAD); establishment of Sustainability Working Group within the NSC	2

The exchanges that have been organized have served several purposes, including to share knowledge and build capacity, but also to help IPLCs realize they are not operating independently but are part of a broader movement for change.¹⁵⁸ This represents a different model to traditional IPLC ways of working – that is, within their own tribes¹⁵⁹ – but can serve to build the confidence of IPLCs to engage at both country and international level. A senior director at CI gave the example of the second GSC meeting in Kinshasa, at which senior people sat down with the president of one of the NSCs. The president was impressed that he was able to address a broader panel of signatories than he could have convened himself, stating that it *'magnified [his] power'*.¹⁶⁰

CI staff explained that activities under Component 1 help build IPLC leadership in global processes by providing attendees with information and updates on global fora for climate change (such as the UNFCCC, GCF, etc.),¹⁶¹ and training on global climate negotiations and project management.¹⁶² The COP preparation meetings – in Bonn and Marrakech – were facilitated to support DGM members at global and national levels to prepare for the negotiations, to aid their participation in relevant events and discussions at the COPs. The meetings focused on various topics, such as climate policy, climate finance, the International Indigenous Peoples Forum on Climate Change, Nationally Determined Contributions and IP contributions to the Paris Agreement. Such events provide the opportunity for IPLCs to share ideas and develop a platform to present at the negotiations. The TTL responsible for DGM Global made the point that, without financial support from DGM Global, many IPLC representatives could not attend such fora to represent IPLCs. While DGM Global has provided funds for such activities, it is the GSC members who decide what to focus on and share information about in each meeting.

There is some anecdotal evidence that DGM Global's outreach work is empowering IPLCs to participate in climate change discussions at a global level. CI's senior director responsible for DGM work said that IPLC leaders involved in the DGM had contributed to the decision at COP22 to proceed with the Local Communities and Indigenous Peoples (LCIP) Knowledge Platform. This aims to integrate IPLC knowledge systems into the design and implementation of international and national action on climate change; to build the capacity of IPLCs to engage with the UNFCCC; and to promote the exchange of experience, among other things. The DGM contribution was to add, at a critical juncture in the conversation about the Platform, the DGM example of IPs coming together to seek and share solutions to issues faced, both nationally and globally. The director also thinks that DGM members present at COP22 took away a sense of contribution to, and ownership of, the decision, which will encourage their future engagement with it.¹⁶³

The mid-term review reports progress through these outreach activities, stating that 11 IPLC alliances and activities have emerged or been strengthened through DGM Global, including active membership in the

GCF Indigenous Peoples Policy Working Group.¹⁶⁴ It is explained that, since the DGM was established, IPLC representatives not previously involved in negotiations and other global platforms have been enabled to participate.¹⁶⁵ Moreover, the coming together of IPLC representatives from different countries to communicate messages is highlighted as a powerful outcome of DGM Global.

6.3. Technical and secretariat services

Component 2 is focused on supporting the operations of the GSC to facilitate its governance of the DGM at global level and to enable it to support the respective country-level activities.¹⁶⁶ Associated ongoing activities of this component include coordinating the GSC, holding annual GSC meetings and establishing and overseeing the DGM Global's Grievance Redress Mechanism (GRM) (see Box 5).

Box 5: The DGM grievance mechanism

The DGM stipulates a GRM at both country and global level to enable an efficient and transparent response to grievances or complaints from IPLCs affected by the DGM.¹⁶⁷ Grievances can be related to, for example, a grant award decision, representation in the NSC or GSC or the governance of the program, among other issues. The GRM is designed according to its country or level of implementation, and to incorporate customary decision-making and conflict resolution procedures already existing in most indigenous territories.¹⁶⁸ In general, each mechanism should follow a process of 1) recording complaints; 2) rapidly resolving them; and 3) reporting actions taken. Each mechanism will establish GRM portals on the associated project website to enable public access to all grievances – setting a high standard to public disclosure.¹⁶⁹

The mechanism is necessary to ensure transparent and accountable governance of the DGM at country and global levels¹⁷⁰ and to support collaboration between the stakeholders involved.¹⁷¹ Institutions responsible for the process to which the complaint refers should be brought into the GRM process as relevant.¹⁷² Countries also flag the need for all stakeholders to fully understand the GRM, to ensure rapid responses and avoid misunderstandings.¹⁷³ As of June 2018, 43 grievances have been registered across the country and global projects, of which upwards of 27 have been resolved.¹⁷⁴

Each country DGM is required to establish its own GRM.¹⁷⁵ In general, complaints are sent to the NEA and NSC.¹⁷⁶ In Burkina Faso, DRC and Peru, local IPLC groups have been engaged to manage community grievances in coordination with NSCs and NEAs.¹⁷⁷ In Burkina Faso, the GRM will be adopted by the FIP project, which FIP respondents mentioned was a great efficiency for them. DRC has established a unique Feedback and Grievance Redress Mechanism, managed by REPALF – the same organization from which the NSC is drawn.¹⁷⁸ The mechanism has been contracted to report to the NEA on IPLC satisfaction. Following the associated country handbook, REPALF rapidly addresses grievances and reports back to the NSC so it can review and input where required.¹⁷⁹ Such approaches draw on existing local customary problem-solving processes to enhance DGM legitimacy and promote sustainability.¹⁸⁰ While promoting local ownership and contextual suitability, this decentralized approach has a number of risks. These include managing expectations, securing the budget to manage grievances, capacity of people dealing with grievances, consistency in the response to different grievances and conflicts of interest where those making complaints are also involved in responding to them.¹⁸¹ On the other hand, making REPALF responsible for addressing grievances from IPLCs can be seen as an important way of building its ability to know about and represent IPLC issues, and may help ensure its continuation after FIP funding finishes.¹⁸²

DGM Global is not involved in country-level processes, at which level complaints should be resolved, where possible. However, DGM Global has been drawn into responding to queries from countries before they have established their NSC. A lack of clarity on roles and responsibilities in this situation was flagged during the 2018 GSC meeting, with the recommendation that the DGM operational guidelines be updated to clarify this. Complaints that cannot be resolved by the responsible institution at country level

are also elevated to the GSC GRM subcommittee. Similarly, complaints that do not relate to the mandate of DGM operations at the country level should be referred instead to the GSC.¹⁸³

In April 2016, DGM Global established its own mechanism, the Global Grievance Redress Mechanism and Complaint Procedure.¹⁸⁴ This is managed by an associated GSC grievance sub-committee, which is the primary audience for complaints received, either directly or via the country process.¹⁸⁵ The mechanism has received one formal complaint. This came from Côte d'Ivoire, regarding the process of selecting members for the NSC. This Global GRM identified this as an internal issue, and the country's government made the decision to pause the DGM process. It was stopped for six to eight months. The complaint has been recorded and is publicly accessible on the DGM website.¹⁸⁶ The global GRM has not received complaints from countries that have their own GRM in place.¹⁸⁷

After discussions on the global GRM at the 2018 GSC meeting, the GEA made a recommendation to strengthen the current mechanism by collaborating with EthicsPoints Hotline, a third-party organization that would receive and process complaints.¹⁸⁸ A trial run of the new approach was subsequently approved. Continued implementation will be contingent on the decision made by the GSC grievance sub-committee based on this trial run.

The starting point for the GEA's secretariat support to DGM Global was to help identify and engage IPLC groups in the process of selecting the NSC, at the behest of the World Bank. GSC members are selected from the NSCs. A global interim committee was established in 2014 and the first GSC was officially established during the first GSC meeting, held in Bali in July 2015.¹⁸⁹ According to the mid-term evaluation of the DGM Global, 'GSC members emphasized their role sharing information with the NSCs in their respective countries.'

The GSC, and the concurrent priorities and activities of the DGM, FIP and REDD+ in each country, guide the content of the exchanges.¹⁹⁰ At the time of the first events, the majority of countries were focused on establishing the DGM. As such, the content was focused on raising awareness on climate change and DGM processes. Now, with more countries implementing projects, the GEA recognizes an increased demand among DGM country representatives for sub-project-based learning at the exchanges. The GEA has responded by organizing more field trips - at first to visit initiatives related to forest management and sustainable livelihoods in FIP investment areas, and later to visit DGM sub-projects as they began implementation - and has made them longer, with specific learning objectives. However, there is a limit to the country-level learning provided by the GEA, it being outside of its current mandate and budgetary capacity.¹⁹¹ Where specific technical support is provided at country level, the NSC is responsible for organizing this using the grant money available to its.¹⁹²

6.4. Planning, monitoring and reporting on DGM progress

Component 3 focuses on planning, monitoring and reporting on the activities, budget and results of the DGM. Under this component, the GEA produces budgets and workplans, and outputs for external reporting of DGM activities and progress, including DGM semi-annual and annual reports. These are produced in collaboration with the GSC, NSCs and NEAs, as relevant, whose management and reporting capacity is built in the process of doing this.¹⁹³ DGM newsletters and updates on the DGM Global website draw from these reports to contribute to outreach activities under Component 1.

The reporting includes collecting and compiling information on project activities, which includes amalgamating results from sub-projects.¹⁹⁴ The GEA is finding that information-gathering is becoming easier now that DGM country projects are becoming better established and NEAs and NSCs are more proactive in sharing information. The GEA edits and validates information to publish stories in semi-annual reports for DGM Global, which are publicly accessible on the DGM Global website. This is for global-level communications – communications to national level stakeholders are the responsibility of the national-

level project. Global-level reports and other information are to be communicated down to national level via respective GSC members.¹⁹⁵

6.5. Issues of the DGM Global

During this Learning Review, DGM stakeholders flagged a few issues pertaining to DGM Global. These challenges relate to the unique approach taken by the DGM, including the relationship between the global and country components.

There were some teething problems in establishing the global component. It took some time for the World Bank and CI to establish a collaborative working relationship, in which the World Bank¹⁹⁶ is more actively engaged than normal. This was in part because of interest paid to the DGM by the World Bank Board. It also took time for the GEA and GSC to learn to overcome innate suspicion, owing to historical allegations that major conservation organizations have supported projects that have displaced IPs.¹⁹⁷ However, clear progress has been made, as reflected in the above summary of activities. CI is pleased with its ability to facilitate a smooth transition of leadership in the GSC.¹⁹⁸

A couple of practical challenges were flagged in relation to coordinating a global platform that supports regions across the world.¹⁹⁹ It was explained that the global component is a hugely ambitious process that requires a great deal of time and financial resources. All global meetings have interpreters present to translate into Spanish, English, French and Portuguese. At a practical level, having all meeting proceedings interpreted into these languages in real time is expensive, and the meetings take longer to allow time for translation. Attendance for IPLC representatives from across the world at multiple events each year is also challenging. The DGM engages in so many events that representatives do not have time to attend all. While this has been addressed by identifying alternative members of the GSC, to relieve these commitments, a challenge has lain in ensuring that attendees are briefed on progress to date if they are only attending the odd meeting. The regional exchanges were said to be more practical in terms of time, communications and travel demands, and also beneficial in that countries within the same region are likely to experience similar challenges. However, country-level representatives see value in learning across regions. Where this is desired, it is the responsibility of country-level stakeholders to leverage funds and organize such exchanges.

The Learning Review found some appetite from country DGM teams for further learning support from DGM Global. There have been calls from some TTLs and NEAs for the GEA to provide more support for learning across countries on aspects that are common to all DGMs, such as selecting NSCs and NEAs and the application of safeguards.²⁰⁰ While there is an appreciation that the GEA produces reports that are visually attractive, quantitative and compelling, there is a view that they should also be supporting learning that is more substantive and gets under the surface to identify and understand what is working and not working in ways that are useful to teams on the ground. Specifically, the NEA director in Peru wanted DGM Global to establish a systematic approach for reporting on learning across the country DGMs.²⁰¹ As discussed above, now that the DGM has progressed towards project implementation, there is more information available to fulfill some of these demands. However, there appear to be different perspectives on who should offer this support – the global DGM or the country DGMs. The GEA has facilitated some learning through organizing field trips and regional exchanges; however, the global TTLs explained that this lay outside of their mandate.²⁰² Rather, the country-level DGM teams are responsible for arranging country learning and can connect with other countries directly to do this. This may be something that requires further clarification and communication across different levels of the DGM.

7. DGM in the context of other funding mechanisms

This section begins by exploring the rationale for developing the DGM and what it offers IPLCs. It then identifies other funding mechanisms currently available to IPLCs and characterizes them according to eight criteria. Finally, it looks at future prospects for funding IPLCs, particularly whether their capacity to write proposals and manage funds has been built by the DGM or similar initiatives. We expect the section to be of broad interest to IPLC organizations, donors, multilateral development organizations and participants involved in the DGM.

7.1. Rationale for developing the DGM

Grant schemes are designed to assist grantees meet specific policy aims defined by the fund-holder. Because grantees have a wide range of interests and scales, it is inevitable that specific groups will not be eligible for every grant scheme. In 2010, FIP identified an important funding gap with respect to IPLCs. Initially, IPLCs hoped REDD would facilitate the securing of land tenure rights but, although national and international advocacy groups pursued this issue strongly, little progress was made.

In light of IPLC dissatisfaction with being simple beneficiaries of REDD-related activities, it was recognized that a new grant scheme was required that engaged IPLCs fully. This meant involving them in the design and delivery of funded sub-projects. There were, however, numerous challenges to overcome.

First, IPs and forest-dependent LCs were in many instances unwilling to cooperate, as each perceived the other group as a competitor for funds. Second, REDD-related funding required specific outcomes related to emissions reduction and wider interests such as biodiversity conservation, which had to be incorporated into proposals for funding – at least indirectly. Third, IPLCs had neither the capacity to design proposals to the standard international donors required nor the ability to deliver sub-projects in accordance with fiduciary standards acceptable to such donors.

Although the gestation period for DGM has been a long one, the ultimate design has managed to overcome these, and other, constraints. In essence, it has the following characteristics:

- It is dedicated specifically to IPLCs and puts IPLC organizations in control.
- It allows for flexible in-country negotiation processes, builds trust and can be adapted to local contexts.
- It can provide substantial funding, up to \$0.5 million, over a long timeframe of up to five years, and does not require co-funding, which few IPLCs are able to provide.
- It has a relatively simple two-stage application process, which limits the costs for those organizations whose initial applications are not successful.
- It has both national and local architecture, with steering committees drawn from IPLC representatives, and these steering committees have oversight of the NEAs and GEA.

7.2. Grant schemes currently available to IPLCs

Table 4, below, presents funding mechanisms currently available to IPLCs in terms of eight characteristics of grant schemes identified as being particularly valuable for IPLCs. Box 6 presents these characteristics.

Box 6: Desirable characteristics for funding mechanisms appropriate to IPLCs

1. **Dedicated funds:** A dedicated fund, or part of a wider fund, is necessary for local IPLCs, with a relatively long timeframe, as few local IPLCs have the capacity to fulfill the requirements for proposals and their delivery without provision for the necessary time for learning.
2. **Control:** Ideally, IPLCs want control over the work that is funded within their area so that it is appropriate and consistent with their needs as well as meeting the requirements of the funding agency. The DGM does this particularly strongly, thanks to its unique model. This Review uncovered some past instances of local communities feeling representative organizations were following their own agenda rather than that of the local IPLCs.
3. **Flexibility:** A flexible in-country negotiation process is required to build trust. Historically, IPLCs have greatly lacked trust, but this can be remedied through engagement for capacity-building and empowerment over decision-making. The process is inevitably slow, at least initially.
4. **Inclusive pushes for the inclusion of IP, LC and other marginalized groups:** This is a key element of empowerment; the DGM has good examples of where sub-groups, such as women, have been specifically empowered through sub-projects, which helps consolidate community-wide agreement.
5. **Easy to access:** Simple application processes are of paramount importance. Not only are complex application formats challenging for IPLCs, as not every application can be funded, but also it is important to minimize the costs unsuccessful applicants bear. Good feedback to unsuccessful applicants and availability of support with the application process are also very valuable elements for IPLCs unversed in such matters.
6. **Globally connected:** Global component to facilitate cross-learning. This Review has found substantial positive views on the value to IPLCs of having access to the experience of others on as wide a basis as possible. Knowledge-sharing modalities need to be designed that are appropriate to the target groups.
7. **Setting limits:** The level of maximum funding is important as well as the maximum length of the project period, since this defines the type and scope of projects that can be supported. The maximum funding level needs to be set at a level that allows the sort of projects that grantees want and can handle to be supported. Where the maximum funding level is low, then the possibility of follow-on funding needs to be available.
8. **Co-financing:** Co-financing requirements are often difficult for local groups to meet. They are usually set to provide evidence of real commitment. If in-kind contributions are acceptable, these are seldom onerous. However, where there is good contact and mutual understanding between potential grantees and the funding agency, this is probably superfluous as a definitive requirement.

The first part of Table 4 outlines three schemes that meet most of the eight criteria noted above: the FIP DGM, the GEF Small Grants Program (SGP) and the FCFP.

There are two other grant schemes that periodically accept direct applications from IPLCs: Norway's International Climate and Forest Initiative (NICFI) for civil society and the European Union (EU)–Food and Agriculture Organization (FAO) Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. Both these schemes have their own overarching funding framework and issue calls for proposals on various themes. Some of these themes are directly or indirectly relevant for IPLCs, which can then apply.

The former has provided funding to IPLC organizations, but usually through local or global representatives. The latter focuses on FLEGT, but issues such as tenure and rights are as important to FLEGT as they are to REDD, and these can be supported. Norway's scheme is the larger; the EU–FAO scheme focuses on small projects of up to \$130,000 with a maximum duration of 15 months. Both of the schemes use a two-stage

application process with initial concept notes and provide assistance to applicants if required. Norway holds a biennial REDD Exchange meeting at which a sample of its grant-holders are invited to make static presentations and participate in panels and discussion groups. Both of these schemes also post reports on their website and hold periodic regional meetings of grant-holders.

There are two other grant schemes that are potentially of interest to local IPLCs. Both are quite new and there is limited information currently available. The Tenure Facility focuses on rights, tenure and equity. On the basis of the limited projects supported so far, it appears to be concentrating on supporting improved communication and understanding between IPLC groups and government agencies. It also appears to have a supportive application process, and IPLCs that have already gained expertise could now make use of this facility.

The UK Department for International Development (DFID) has supported a pilot scheme in Isiolo county in northern Kenya through which local government agencies and local communities, including IP communities, developed proposals for financial support jointly. Few details are currently available, but the scheme is being given wider roll-out in Kenya and appears to provide a good opportunity for LCs to define the direction development should take in their local area.

7.3. Future of grant schemes for IPLCs

Over the past two decades the architecture of development assistance has tended to change, with a reduction in directly delivered bilateral assistance and an increased role for multilateral agencies, as donors generally seek to reduce their transaction costs in development financing. Forestry-relevant development assistance has over the same period moved on from more technical support to encompass matters such as governance, and also to accommodate increased global interest in biodiversity, climate change and recognition of the requirements of sustainable development.

These changes have also driven a wider perspective so that, for example, forestry, agroforestry and agriculture are viewed through the lens of sustainable land management rather than each element being considered individually. Logically, increasing attention is also being given under this wider perspective to matters such as green and legal supply chains.

New funds and agencies, such as the GCF, have been created, and by and large their programs are delivered through national governments in large tranches. While funds may have a primary aim, such as emissions reduction or biodiversity conservation, all operate with social and environmental safeguards and require adequate consideration of matters such as IPLC interests. Nevertheless, if this is to be effective and appropriate, then IPLCs and their regional and global interest bodies will need to engage within countries as well as with the funding agencies.

The DGM has created interest and knowledge in IPLCs and established national and global-level structures that empower IPLCs in decision-making and engagement. However, in most DGM partner countries, these structures remain fragile, and they will need continued support if the gains are not to be lost. It will require great care and good financial and non-financial support systems to bring what has been created through to the position where IPLCs are adequately recognized and engaged in-country and more widely and hence able to benefit from the financing options available in the future. The DGM took more or less five years to develop; any extension would, of course, not have to go through such an extended gestation, as an effective model now exists. This could simply be taken on as a complete grant-making system within a wider funding scheme. Extending and expanding the DGM model would help avoid a substantial gap in funding opportunities for IPLCs.

Table 4: Grant schemes available to IPLC organizations

Dedicated fund for IPLCs; grants have a long timeframe?	Puts IPLC organizations in control?	Flexible in-country negotiation builds trust and adapts to context?	Pushes for inclusion of IPs and LCs and other marginalized groups?	Simple application process – e.g. two-stage, grant, technical support?	Has a global component to facilitate cross-learning?	Maximum funding per project?	Co-financing required?
Grant schemes most suitable for IPLCs							
1. FIP DGM							
Yes Only IPLCs and local/national CSOs eligible to apply Up to 5 years	Yes, global and national steering committees comprising IPLCs	Yes	Yes, core aim	Concept note followed by full proposal; less than \$50,000, concept note only Support given by NEA/NSC if required	Yes Coherent national and global programs	\$500,000 Up to 5 years	Not required
2. GEF SGP							
Yes Earmarked funds for IPLCs, which receive 10 bonus points on application	Focus is on Convention on Biological Diversity Aichi targets plus land degradation and REDD Proposals go through GEF focal point, judged by GEF NSC	Contribution to this through local capacity-building	Yes, core aim	Preparation grant up to \$5,000 available	Information flows, some through wider GEF national programs	\$50,000	Not essential but possible, can include in-kind contributions

Dedicated fund for IPLCs; grants have a long timeframe?	Puts IPLC organizations in control?	Flexible in-country negotiation builds trust and adapts to context?	Pushes for inclusion of IPs and LCs and other marginalized groups?	Simple application process – e.g. two-stage, grant, technical support?	Has a global component to facilitate cross-learning?	Maximum funding per project?	Co-financing required?
3. FCPF Capacity-Building Program for IPLCs and Southern CSOs							
Yes Projects have to be REDD readiness-relevant Timeframe unclear	Not directly. Applications go through regional intermediaries of 2 regional IPLC CSOs per region	Unclear, relies on regional IPLC CSO intermediaries building trust with IPLCs	Should do but not fully clear. Intermediaries are IPLC CSOs	Not fully clear, should be some support given by regional intermediaries	Not evident	\$0.5 million	Not clear
<i>Grant schemes that periodically accept direct applications from IPLCs</i>							
4. NICFI climate and forest funding for civil society							
Depends on themes, latest round has specific IPLC theme Up to 4 years, follow-on projects possible	IPLCs can apply directly Projects must fit into fund M&E structure but project aims are then fully supported	Project is negotiated but applicant has wide scope of focus	Yes, no specific demand for IP and LC joint actions	Initial concept note. Selected applicants negotiate full proposal	Regional and national knowledge-sharing events Periodic global REDD Exchange in Oslo	No defined upper limit	Desirable but not essential
5. EU-FAO FLEGT program, multi-donor: EU, Sweden, UK							
No but IPLCs can apply through national hubs	IPLCs can develop proposals within defined themes for each call Proposals must fit into overall M&E structure	Limited support given as part of application process and during project delivery	In general terms, specific requirements on gender	Initial concept notes. Those selected can be given help to develop proposal into a viable project	Not directly	\$130,000	Not now but was initially

Part IV: Practical lessons, messages and next steps

8. Key lessons in setting up and implementing a FIP-style DGM

In this section we draw together the learning and insights from the previous sections to provide guidance in setting up and implementing a FIP-style DGM. This guide is intended primarily for people who are already designing or implementing a FIP DGM and wish to learn from experience in other countries. It is, however, also for people who wish to channel funding to marginalized groups and peoples in a way that is empowering.

The section provides guidance in six areas:

1. When to choose a FIP-style DGM;
2. Choosing the main impact pathway for the DGM;
3. Selecting the NSC and where to work;
4. Selecting the NEA;
5. Selecting sub-projects;
6. Sustaining and scaling the DGM.

8.1. When to choose a FIP-style DGM

One would choose a FIP-style DGM when the funding agency wants to give control over funding decisions to IP and/or LC organizations. The mechanism should be suitable for any marginalized group, not only for IPLCs, and any area of development. It is best suited to endeavors where the main impact pathway in the short and medium term is to build the capacity of organizations representing a marginalized group or groups. The impact will be that groups are better able to determine the course of their own development and to become implementers of their own sub-projects, rather than being simply beneficiaries of initiatives led by others.

In respect of providing dedicated funding to IPLCs, the mechanism closest to the FIP DGM is the GEF SGP. The GEF SGP has a NSC with some CSO and IPLC representation that decides on who receives funding. The FIP DGM is unique in both its decision-making authority and its ability to build the fiduciary capacity and the capacity of IPLC organizations to represent their respective constituencies. This comes from the support that the NEA provides to the NSC.

8.2. Choosing the main impact pathway for the DGM

The DGM achieves outcomes through two impact pathways: 1) through outcomes generated by the sub-projects the country DGM funds; and 2) through building the capacity of the individuals and organizations involved.

The Learning Review found that countries could start on the project pathway, on the empowerment pathway or on a combination of the two, depending on the existence and strength of IP and LC representative organizations. The pathway concept can also be applied to other marginalized groups.

8.2.1. Starting with the project pathway

If working in an area in which representative IPLC organizations do not exist from which to select an NSC, then it is better to start with the project pathway. Choose an NEA best able to support a competitive call for proposals for sub-projects. The NEA should then help the NSC build its stature as an institution through the selection and funding of successful sub-projects. Burkina Faso has followed this model.

8.2.2. Starting with the empowerment pathway

If working with IPLC organizations and representatives who lack capacity to develop and lead sub-projects, then begin with the empowerment pathway. In this situation, overcoming difficulties in calling for, selecting and implementing the first round of sub-projects can be seen as part of a ‘learning by doing’ capacity development process. Some sub-project failure is to be expected and is acceptable provided lessons are learned. The project pathway will increase in importance as those involved in the DGM get better at designing and implementing sub-projects. DRC has followed this model.

8.2.3. Starting with both pathways

If working with institutionally strong IPLC organizations, already able to lead technical sub-projects, then it is feasible to emphasize both pathways from the start. Building capacity will help the NSC better play its role, while sub-projects can be expected to be well-selected and managed from the outset. Indonesia appears to be following this pathway.

8.3. Choosing where to work and the composition of the NSC

Ideally, the aim is to have a DGM that is open to as many IPLC communities as possible while still ensuring the NSC is fully representative of those communities.

8.3.1. Choosing where to work

One way of maximizing ‘reach’ is to work with IPLC organizations that represent communities. In this case, choosing the area to work in will go hand in hand with selecting the organization or organizations from which to constitute the NSC. This has been the case in DRC and Peru.

Examples of other considerations or factors that may affect the decision include the presence of organizations and initiatives that might be allies (*e.g.* other FIP projects); the degree of marginalization and the resulting need for dedicated funding; and the practicality of accessing the sub-project areas for progress inspection visits, monitoring, *etc.*

If representative organizations do not exist, then the geographic area should be smaller so as to ensure the DGM process of electing NSC members is manageable and that it is possible to choose members to represent a practicable number of communities.

8.3.2. Choosing the NSC – representative organizations exist

If IPs and LCs exist in the area chosen to work in, then the NSC should contain representatives from both types of community. This may not be politically feasible if the two groups have a history of conflict – as was the case in Peru.

If IP and LC representatives can be expected to work together in an NSC, it is likely that the IP representative organizations will be institutionally stronger than the LC ones. This was the case in Indonesia, which ran an election process in which one representative was chosen to represent both IPs and LCs from a province, using the organizational infrastructure of an IP organization to do so. It remains to be seen as to how well a single person can represent both IP and LC interests, particularly given the size of regions in Indonesia, some of which are also highly ecologically and socially diverse.

Perhaps the best course of action is to select an organization that represents both IPs and LCs, and to elect NSC members from within that organization. This is what the DGM-DRC was able to do.

8.3.3. Choosing the NSC – representative organizations do not exist

If representative organizations do not exist in the chosen area, then it will be necessary to run an election process, involving a series of workshops in which community members from the selected area learn about the DGM and elect their representatives.

The guideline as to the size of the NSC is about 10 people, to keep meeting costs and logistics manageable. If being fully representative means having a larger NSC, then consider empowering an executive sub-group. The roles that this group plays *vis-à-vis* the NEA will need to be clear. DRC-DGM provides an example of this.

8.4. Selecting the NEA

The medium-term goal of a FIP-style DGM is that the NSC is representative of IP and/or LC organizations and that these organizations have the fiduciary capacity to directly receive and manage funding. The NEA is appointed to help the NSC and the organizations it represents reach this point, when it, the NEA, will either cease functioning or become part of an integrated DGM.

The latter is probably desirable so that the NEA feels that it has a future in the DGM and as it will be more likely to work for a self-determined DGM. Therefore, the best choice of NEA will be an organization, as in Brazil, that has fiduciary and technical capacity, as well as strong links to the IP and/or LC organizations that the NSC represents. If such an organization does not exist, and representative organizations are weak or non-existent, then appointing a strong INGO risks the NEA co-opting the DGM to its own agenda. In this case, the DRC model of appointing an NEA that plays a largely fiduciary role should be used. If the representative organizations are strong, then appointing a strong INGO can have advantages. For example, in Peru, WWF-Peru secured \$500,000 from Norway's International Climate and Forest Initiative to help fund the roll-out of the DGM.

The timing of the appointment of the NEA is also important. As the example of Peru shows, the NEA, or at least key people in the organization, should be involved in the design of the DGM so they understand the decisions that have been made and know the key players. This suggests selecting the NEA earlier than is stated in the current guidelines, which is after project approval.

8.5. Selecting sub-projects

The choice is whether or not to select sub-projects competitively. Section 4.4 found that non-competitive procurement fits better with the empowerment pathway because it allows the DGM to help institutionally weaker organizations develop their proposals and strengthen their ability to manage the funds. Competitive calls work better for the project pathway by efficiently choosing the best technical sub-projects.

8.5.1. Following the project pathway

Choosing the project pathway will require a competitive call for sub-projects. Experience shows that this is likely to be oversubscribed, leading to a large number of proposals that will not be funded. Burkina Faso has shown that running a transparent process is key to help manage the disappointment of communities whose proposals are not successful. Delays should also be expected in getting the sub-projects up and running.

Our findings suggest that sub-projects working on land tenure security will generate the quickest positive impact for the greatest number of people, compared with forest management or income-generating sub-projects. Starting with successful sub-projects will help provide momentum to the DGM that will increase its chances of being able to run itself effectively and efficiently.

8.5.2. Following the empowerment pathway

Choosing the empowerment pathway you gives at least two options. As in DRC, the first step is to identify the projects to carry out at community level and then have the NSC choose the best candidates to implement the projects. This can be done by asking potential candidates to provide an expression of interest and choosing the best implementing organizations on the basis of these.

The second option is to choose the organizations that can be contracted to implement the sub-projects and ask these organizations to put forward proposals that the NSC vets and approves.

Whichever option is chosen, processes need to be run in a transparent and inclusive manner to avoid complaints of bias that can come with non-competitive procurement.

8.6. Sustaining and scaling the DGM

Sustaining and scaling up the FIP DGM is most likely if the point that the NSC is representing a number of IP and/or LC organizations that have fiduciary capacity to receive funding directly is reached within the five years for which FIP funds the DGM. Peru suggests that progress is made most quickly by working with strong IPLC organizations using non-competitive procurement for projects that work on land tenure security to ensure early wins to build confidence in the mechanism.

The NSCs in Burkina Faso, Indonesia and Peru are planning to continue the DGM after FIP funding ends. The president of AIDSESEP, who is an NSC member in Peru, is clear that the DGM needs to increase funding flows: the current funding of \$1 million per year is not sufficient to respond to IP needs. His view of sustaining and scaling-up is that the DGM shows donors that IP organizations are capable of spending and accounting for funds and delivers projects that better meet their needs and aspirations.²⁰³ As a result, donor funding will be orders of magnitude higher for IP-led initiatives.

The director of social policy and practice at CI, responsible for CI's support to the DGM as the GEA, agrees that DGM funding is a drop in the bucket compared with overall IP needs. He shares the president of AIDSESEP' view that the DGM's route to scale is to demonstrate that money can be spent and accounted for in ways that allow IPs to explore their own ideas.²⁰⁴

It will be easier to sustain and scale country-level DGMs independently of each other, but this will lose the global element of the mechanism, which may be attractive to global funding bodies such as the GCF. CI, in its role as GEA and together with the GSC, is exploring ways to continue the DGM as a global mechanism, with a global component that makes the case for the DGM. Collectively, country-level DGMs may be able to lever more funding as part of a global mechanism. However, there is an accompanying risk that the DGMs will grow too fast. As we have seen above, selecting, funding and accounting successfully for sub-projects takes a great deal of time and strong institutional capacity.

9. Key messages and next steps

- The DGM is proving that IPLC organizations can work as direct counterparts with multilateral development organizations, proposing and implementing their own projects. For some, technical counterparts are still required, but their capacity for transparent fund management has strengthened during the life-span of the DGM, as has IPLCs' strong sense of ownership of a mechanism that puts them in control.
- A large part of the DGM's formative success is owed to people who recognize the importance of making a commitment to IPLCs and building trust gradually thereafter. The design of and funding committed to the DGM has made it an appealing prospect for these people, and this combination has so far encouraged those involved to work through the procedural requirements and maintain commitment during delays.
- There is a range of design considerations for making the most of a mechanism that intends to support IPLCs to engage with financial and policy processes across a wide range of national contexts. Some of these are:
 - Finding a size and composition of the NSC that is manageable, representative and inclusive;
 - Determining how the NEA can contribute and remain interested in the DGM while being subsidiary to the NSC; and
 - Choosing whether to use an open or restricted procurement model for selecting local-level sub-projects and deciding where the balance lies between potentially achieving greater impact with already technically viable projects or improving the NSC's ability to operate a grant mechanism and focusing on areas of greater need.
- The DGM has reached a crucial juncture, where new funding is needed. Country DGMs have demonstrated a keen interest in sourcing their own 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.
- The DGM holds a wealth of learning on IPLC-led initiatives that should not be lost. The full text of the Learning Review distils some of the most valuable lessons learned, which can inform conversation both within and outside of the DGM. Opportunities for furthering this lesson-learning include future performance evaluation(s) of the global, country and sub-projects, and the forthcoming ethnographic research surveying more extensively IPLC impressions of the DGM.

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