

## Forest Carbon Partnership Facility (FCPF)

### Readiness Fund

#### Capacity Building Programs of the FCPF for Forest-Dependent Indigenous Peoples and Forest Dwellers and for Southern CSOs

June 13, 2013

*This note is designed to update the Participants Committee (PC) on recent developments with regard to the FCPF's Capacity Building Program for Forest-Dependent Indigenous Peoples and Forest Dwellers and the Capacity Building Program for Southern Civil Society Organizations (CSOs). No specific PC action is expected at the upcoming fifteenth meeting of the PC (PC15).*

#### Introduction and Background

1. The PC at its eleventh meeting in Berlin (PC10) responded positively to both the Evaluation Report and the request from the Kuna Yala Action Plan, and decided to expand the existing Capacity Building Program for Forest-Dependent People by allocating \$3.5 million to the program for fiscal years (FY) 2012-2015. In addition, the PC created a new capacity building program for Southern CSOs by allocating \$2 million for FY 2012-2015.
2. Since PC11, the PC and FMT have discussed how to best implement the expanded Capacity Building program. At PC12, in Santa Marta, Colombia, the PC received a request to channel resources for capacity building to local communities through the southern CSO program given the inter-linkages that commonly exist between non-indigenous forest dwellers and southern CSOs.
3. Within the World Bank, the FMT has been required to move away from contracting organizations as vendors, as was done under the original program, to providing grants to organizations to administer the funds for the enhanced programs. Therefore, the "old" vendor system is concluding this fiscal year, and the "new" grant system will replace it for FY 2014-2015.

#### Update on Grants under Old Vendor System

4. Since the most recent Note on the Capacity Building programs in April 2012 (see FMT Note 2012-5), the FMT has approved a further 6 grants (3 IP, 3 CSO) from Asia and Africa in FY 13 for a total amount of \$709,810 , as follows:

DANAR \$ 70000

MPIDO \$160000

NEFIN \$70000

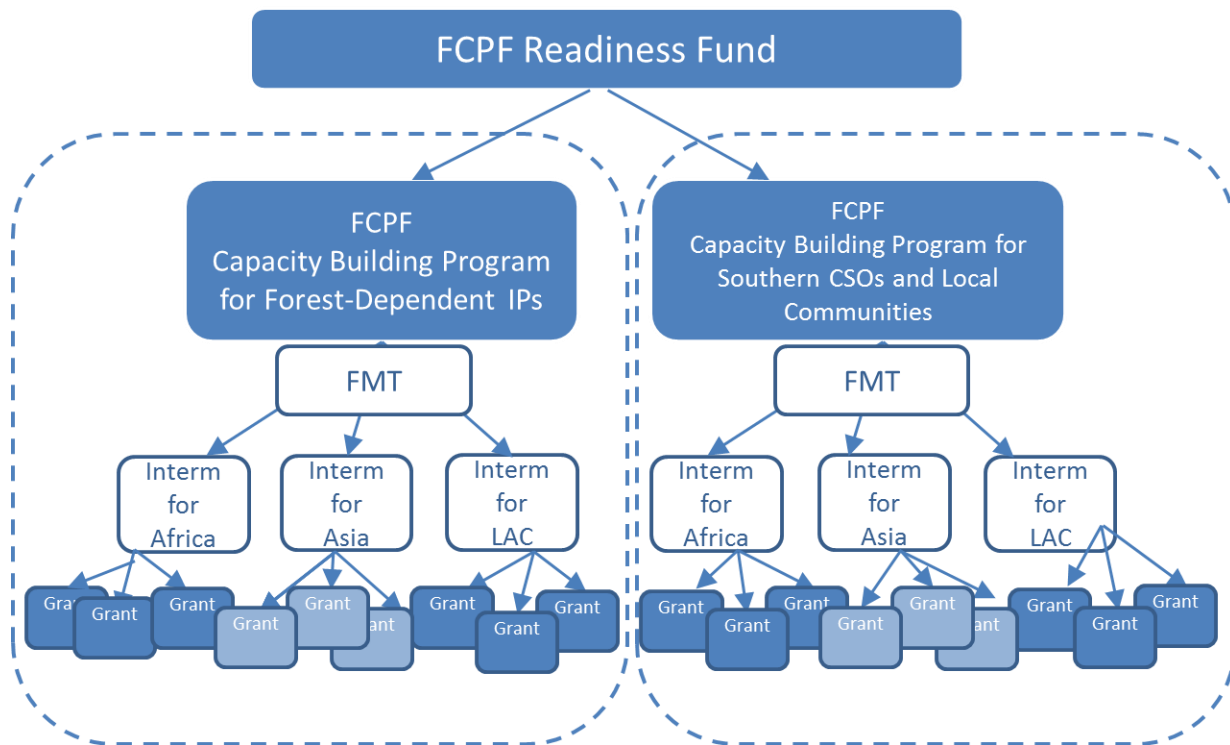
Nepal Law Society \$95000

PACJA \$ 214810  
 REFACOF \$100000

- For Latin America, based on suggestions from indigenous peoples’ and civil society organizations, a public call for proposals was launched, which resulted in 20 applications by various organizations requesting grants. After a competitive evaluation, 9 grants have been awarded, and contracts are currently being processed.

**Proposed Process and Structure of New Grant Mechanism**

- Discussions held last year with indigenous peoples’ and civil society organizations, and with World Bank management, explored a number of options for the new grant mechanism. These options included potential collaboration with IFAD’s Indigenous Peoples Assistance Facility, direct management of small grants by the FMT, and operations through regional Indigenous/civil society organizations acting as intermediaries. The last option of regional intermediaries gained traction, and was selected as the most viable, because it provides more ownership for the IP and CSO organizations, while at the same time introducing efficiency gains in the administration of the programs.
- The proposed structure of the new grant scheme is to have one intermediary organization per region for the IP Grants, as well as one per region for the civil society organizations, resulting in the following setup:



8. In December 2012, a call for proposals was launched to identify interested intermediary organizations. The eligibility criteria included the following components:
- i. The organization is an Indigenous Peoples' or Civil Society organization (organizations were requested to describe the organizational and governance structure, staff, etc.)
  - ii. The organization enjoys a high level of credibility regionally and has an established institutional structure with a solid track record in issues related to forestry, climate change and/or REDD+ (organizations were requested to provide information on the organization's current work in the area of forestry, climate change and/or REDD+)
  - iii. The organization has experience working effectively with other regional organizations (organizations were requested to describe the collaboration with other regional organizations or networks)
  - iv. The organization has demonstrated capacity for effective financial management and procurement (organizations were requested to describe how much money in US dollars the organization plans to spend in 2013, including all projects and operating expenses, and how much it spent in 2012 and 2011 (mention the amount of each year separately). Please list the organization's major sources of funding. Also describe the fiduciary responsibilities within the organization, i.e., budgeting, expense approval, accounting, and auditing)
  - v. The organization possesses capacity to ensure compliance with WB safeguard principles (organizations were requested to provide details on the organization's experience undertaking and/or supervising environmental and social assessments)
  - vi. The organization has demonstrated capacity to address grievances and provide a redress mechanism (organizations were requested to provide information on the organization's existing mechanism to address grievances that may occur in its work and/or plans to establish such a mechanism)
9. Ten proposals were received during this process, four for the Indigenous Peoples intermediary role and six for the Civil Society/Local Community intermediary role. The FMT conducted a review of these proposals against the stipulated eligibility criteria, and solicited recommendations from partner organizations that are familiar with their work.
10. Upon completion of the review process in mid-May, the FMT sent the names of the selected organizations to the PC members and observers for comments and clarifications. As no objections were received, the successful intermediary organizations were notified end-May. They are:

*MPIDO (IP/Africa)*  
*PACJA (CSO/Africa)*

*Tebtebba (IP/Asia)*  
*ANSAB (CSO/Asia)*

*Sotz'il (IP/Latin America)*  
*ACICAFOC (CSO/Latin America).*

11. The new phase of the capacity building programs will cover fiscal years 2014-15, and a tentative budget allocation is presented below. This allocation is proportionate to the number of countries per region, and reflects the higher budget envelope for the IP component. The amounts might be adjusted, once all the commitments for 2012-13 have been accounted for.

	<b>Transitional Phase 2012-2013</b>	<b>New System 2014-2015</b>	<b>Total 2012-2015</b>
<b>Indigenous Peoples</b>			
Africa	\$358,396	\$482,780	\$841,176
Asia & Pacific	\$231,579	\$311,950	\$543,529
LAC	\$340,476	\$458,641	\$799,118
Unallocated	\$6,892	\$9,284	\$16,176
<b>Total</b>	<b>\$937,343</b>	<b>\$1,262,657</b>	<b>\$2,200,000</b>
<b>Southern CSOs &amp; LCs</b>			
Africa	\$291,604	\$392,808	\$684,412
Asia & Pacific	\$188,421	\$253,814	\$442,235
LAC	\$277,024	\$373,167	\$650,191
Unallocated	\$5,608	\$7,554	\$13,162
<b>Total</b>	<b>\$762,657</b>	<b>\$1,027,343</b>	<b>\$1,790,000</b>
Africa	\$650,000	\$875,588	\$1,525,588
Asia & Pacific	\$420,000	\$565,765	\$985,765
LAC	\$617,500	\$831,809	\$1,449,309
Unallocated	\$12,500	\$16,838	\$29,338
<b>Total</b>	<b>\$1,700,000</b>	<b>\$2,290,000</b>	<b>\$3,990,000</b>

12. The grants to the regional intermediaries will be governed by the World Bank's "Procedures for Small Recipient-Executed Trust Fund Grants", which specify the process for the design and implementation of small and micro-grants. The FMT is currently preparing the required package of documents for internal World Bank review of the program, and has sent to the six selected organizations the Integrated Assessment Framework (IAF), which forms the basis for the Bank's due diligence (see Annex for further details on project processing).
13. It is expected that the new program and the regional intermediaries will continue to use the following eligibility criteria for the selection of projects within the regions.
- a. Be located in FCPF REDD Country Participants;

- b. Be proposed by networks or organizations of Forest-Dependent Indigenous Peoples and/or Southern CSOs and local communities, as appropriate, or be explicitly endorsed by relevant networks and organizations;
  - c. Prepare national and regional organizations of Forest-Dependent Indigenous Peoples and/or Southern CSOs, as appropriate, to contribute to their national REDD+ readiness processes;
  - d. Reinforce the national REDD+ readiness efforts;
  - e. Include regional and/or national capacity building workshops and initiatives on REDD+;
  - f. Emphasize the dissemination of capacity building benefits to local communities; and
  - g. Show how FCPF support to Forest-Dependent Indigenous Peoples and Southern CSOs and local communities will be leveraged to attract additional support.
14. The new phase of the capacity building programs will continue to support the following activities
- a. Research and policy work on land tenure, social and environmental issues;
  - b. Sustainable livelihoods;
  - c. Good governance;
  - d. Training, outreach and awareness building;
  - e. Analytical and design work on benefit sharing and grievance redress mechanisms;
  - f. Mapping of indigenous or community land use;
  - g. Support for multi-stakeholder dialogues and collaboration between government, Forest-Dependent Peoples and Southern CSOs, respectively;
  - h. Other activities contributing to the national Strategic Environmental and Social Assessment (SESA); and
  - i. Community-level monitoring of and reporting on various aspects of the overall REDD+ process (to enhance transparency/accountability).
15. Beyond these criteria, the regional intermediaries will, however, have the choice as to whether they want to adopt a competitive small grant schemes or – alternatively – targeted regional work programs around particular topics or themes. For both options, the project document will include basic operational modalities and criteria.

### **Next Steps**

- 16. Further to discussions with indigenous and CSO leaders, the FMT is planning to organize a meeting in DC for representatives from the six regional intermediaries. The purpose of this workshop – to be held in August 2013 – is to discuss planning and operational issues with

regard to the new phase of the capacity building programs. It will involve FMT staff, as well as financial management, procurement and safeguards specialists.

17. After project preparation but before the signing of grant agreements, the Small Grant Procedures require the FMT to seek the consent of those countries where the activities will be carried out. According to the Procedures “the particular manner in which the member government’s consent is obtained may vary from country to country...” They include the option of an “umbrella consent requiring no further review for individual grants.”
  
18. The FMT is currently in discussions with World Bank legal staff to clarify at what stage and by whom this consent must be provided, and whether the decisions of the PC approving the capacity building programs already constitute such a consent. Depending on the outcome of these discussions, the FM will circulate further clarifications, if any further action is needed by the PC/PA.

**Annex:**

**Figure 1: Project processing: small and micro RETF grants**

Key steps	Exceptions for micro grants
<p><b>Identification stage</b></p> <ul style="list-style-type: none"> <li>•TTL identifies operation and creates an AIS</li> <li>•SM and CD/Network Director-for global grants clear AIS</li> </ul>	<p><i>In this section the same procedures apply to micro grants</i></p>
<p><b>Concept stage</b></p> <p><b>Prepare concept package</b></p> <ul style="list-style-type: none"> <li>•TTL prepares a Concept Package:</li> <li>- Recipient-completed IAF</li> <li>- PCN, including simplified ORAF</li> <li>-Draft appraisal stage ISDS</li> <li>-Other relevant documents</li> <li>•SM clears the package</li> </ul> <p><b>Concept review (virtual)</b></p> <ul style="list-style-type: none"> <li>•CD/Network Director chairs review/clears Decision Note</li> </ul> <p><b>Application for funding</b></p> <ul style="list-style-type: none"> <li>•TTL submits application for funding and/or creates a TFP</li> </ul> <p><b>Task team</b></p> <ul style="list-style-type: none"> <li>•TTL contacts regional FM, procurement and environment and social managers for team nominees as well as LEG and CTRLD</li> </ul>	<p><i>In this section: micro grants require a concept memo rather than a PCN. A concept memo includes such material from a PCN as is relevant to the micro grant but is not required to be in the format of a PCN. All other provisions in this section apply equally to micro and small grants.</i></p>
<p><b>Appraisal/ negotiation/ approval stage</b></p> <p><b>Prepare appraisal package</b></p> <ul style="list-style-type: none"> <li>•TTL prepares an Appraisal Package</li> <li>- PP, including simplified ORAF and results framework</li> <li>-Updated appraisal Stage ISDS</li> <li>- PID</li> <li>- Recipient-completed IAF</li> </ul> <p><b>Clearance and disclosure of appraisal stage ISDS and PID</b></p> <ul style="list-style-type: none"> <li>•TTL submits ISDS for clearance to RSA and SM</li> <li>•TTL ensures that all safeguards documents are finalized by the Recipient (and meet Bank's standards), are disclosed both in Washington and in country</li> <li>•TTL submits PID to CD/Network Director for clearance</li> </ul> <p><b>Combined appraisal completion/ negotiations/ approval</b></p> <ul style="list-style-type: none"> <li>•TTL prepares Appraisal Completion/ Negotiation / Approval Package:</li> <li>-PP, including simplified ORAF and simplified Results Framework</li> <li>-Appraisal Completion Note</li> <li>-Evidence of government consent to the grant</li> <li>-Simplified Grant Agreement, Disbursement Letter and Procurement Plan</li> <li>-Template of Interim Project Progress Report</li> <li>-Memo to CD/Network Director regarding lapsed loans and late audits</li> <li>•SM Clears, CD/RVP or Network Director/Network VP Approves</li> </ul>	<p><i>In this section, micro grants do not require:</i></p> <ul style="list-style-type: none"> <li>-a PP; instead the concept memo should be further developed and used to cover those aspects of the PP as are relevant to the micro grant</li> <li>-a PID or a GFR<sup>1</sup>, if the latter is disclosed</li> <li>-an appraisal package</li> <li>-an appraisal completion note; instead a less formal appraisal summary note will be sufficient covering those areas in the completion note as are relevant to the micro grant.</li> </ul> <p><i>All other provisions in this section apply equally to micro and small grants.</i></p> <p><small>1/ GFRs are expected to become subject to disclosure. Until such a time, PID will be prepared for micro grants for disclosure.</small></p>
<p><b>Implementation</b></p> <p><b>Signing and effectiveness</b></p> <ul style="list-style-type: none"> <li>•TTL arranges for CD/Network Director signature of Grant Agreement and Disbursement Letter</li> <li>•TTL sends to Recipient for counter-signature with the Disbursement Letter</li> <li>•Procurement plan is published on the WB website</li> </ul>	<p><i>In this section, designated account ceilings and minimum values for direct payments and reimbursements (as already reflected in the Disbursement Letter) are a higher</i></p>