

# CLIMATE INVESTMENT FUNDS



Source: CIFOR

## FOREST INVESTMENT PROGRAM Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM)





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### Clean Technology Fund

Finance scaled-up demonstration, deployment and transfer of *low carbon technologies*

#### Investment Plans

- Support country and regional development strategies
- Leverage financial products of Multilateral Development Banks
- Stimulate private sector engagement

\$4.5 billion

### Strategic Climate Fund

*Targeted programs* with dedicated funding to pilot new approaches with potential for scaling up

#### Pilot Program for Climate Resilience

Mainstream climate resilience into core development planning

#### Forest Investment Program

Reduce emissions from deforestation and forest degradation

#### Scaling Up Renewable Energy in Low Income Countries

Create economic opportunities and increase energy access through renewables

\$ 2 billion



## FIP Design Document:

The main purpose of the FIP is ***to support developing countries' REDD-efforts***, providing up-front 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 indigenous peoples and local communities, poverty reduction and rural livelihoods enhancements.



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- ✿ Partnership among Multilateral Development Banks (AfDB, ADB, EBRD, IDB, and WBG) to support mitigation and adaptation in a coherent and integrated way
- ✿ Demonstrate scale and transformation
- ✿ Multi-stakeholder at governance and country levels
- ✿ Leverages public and private sector
- ✿ Complementarity with other partners at the country level
- ✿ Sunset clause





✿ Eight FIP pilot countries:

Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Lao PDR, Mexico and Peru

✿ Pledges to-date: US\$600million (as of September 30, 2011)

✿ Allocation of Resources to FIP Pilot Countries:

Brazil and Indonesia:	USD50-70million
Democratic Republic of Congo and Mexico:	USD40-60million
Ghana and Peru:	USD30-50million
Burkina Faso and Lao PDR:	USD20-30million

**Reserve:** USD 177.3 million (funding source for Dedicated Grant Mechanism )



## **Dedicated Grant Mechanism for Indigenous Peoples and Local Communities:**

“38. ... A dedicated grant mechanism should be established under the FIP to provide grants to indigenous peoples and local communities in country or regional pilots to support their participation in the development of the FIP investment strategies, programs and projects. At the implementation stage grants to indigenous peoples and local communities should be an integral component of each pilot. “





*April 2010: New York City, USA. Workshop at the UN Permanent Forum on Indigenous Issues to discuss the grant mechanism.*

*November 2010: Accra, Ghana. Workshop for African pilot countries with 34 participants.*

*January 2011: Vientiane, Lao PDR. Workshop for Asian pilot countries with 45 participants.*

*February 2011: Lima, Peru. Workshop for pilot countries in Latin America with 38 participants.*

*February 2011: Sidney, Australia. Workshop for Pacific Island countries with 17 participants.*

*April 2011: Bangkok, Thailand. 1<sup>st</sup> Global Workshop with 50 participants.*

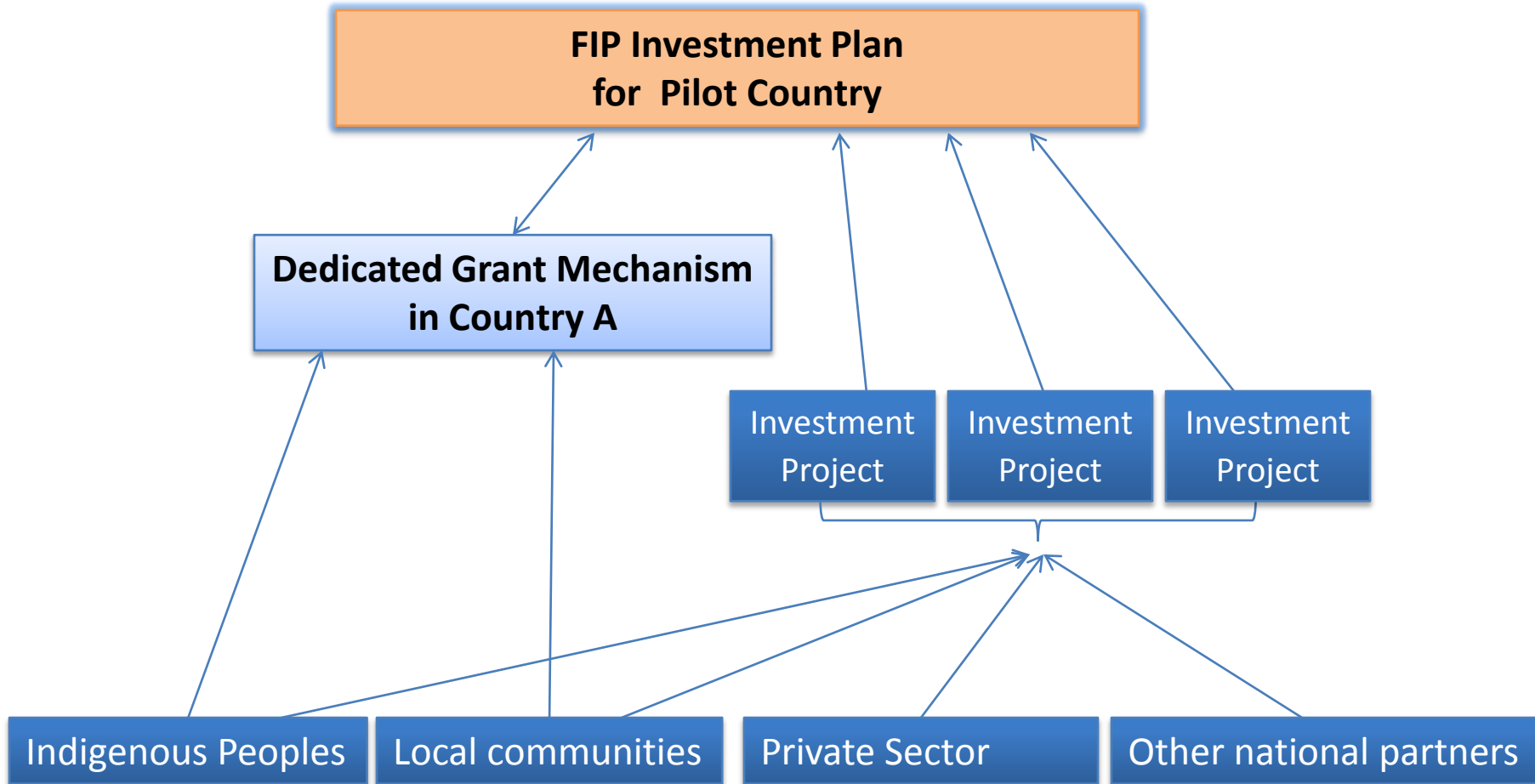
*May 2011: Washington DC, USA. 2<sup>nd</sup> Global Workshop with 30 participants.*

*June 2011: Cape Town, South Africa. FIP Sub-Committee comments on Working Draft of the DGM Design Proposal.*

*October 2011: Washington DC, USA. FIP Sub-Committee approves the DGM Design Proposal and takes note of the Proposed Implementation Arrangements for the DGM.*



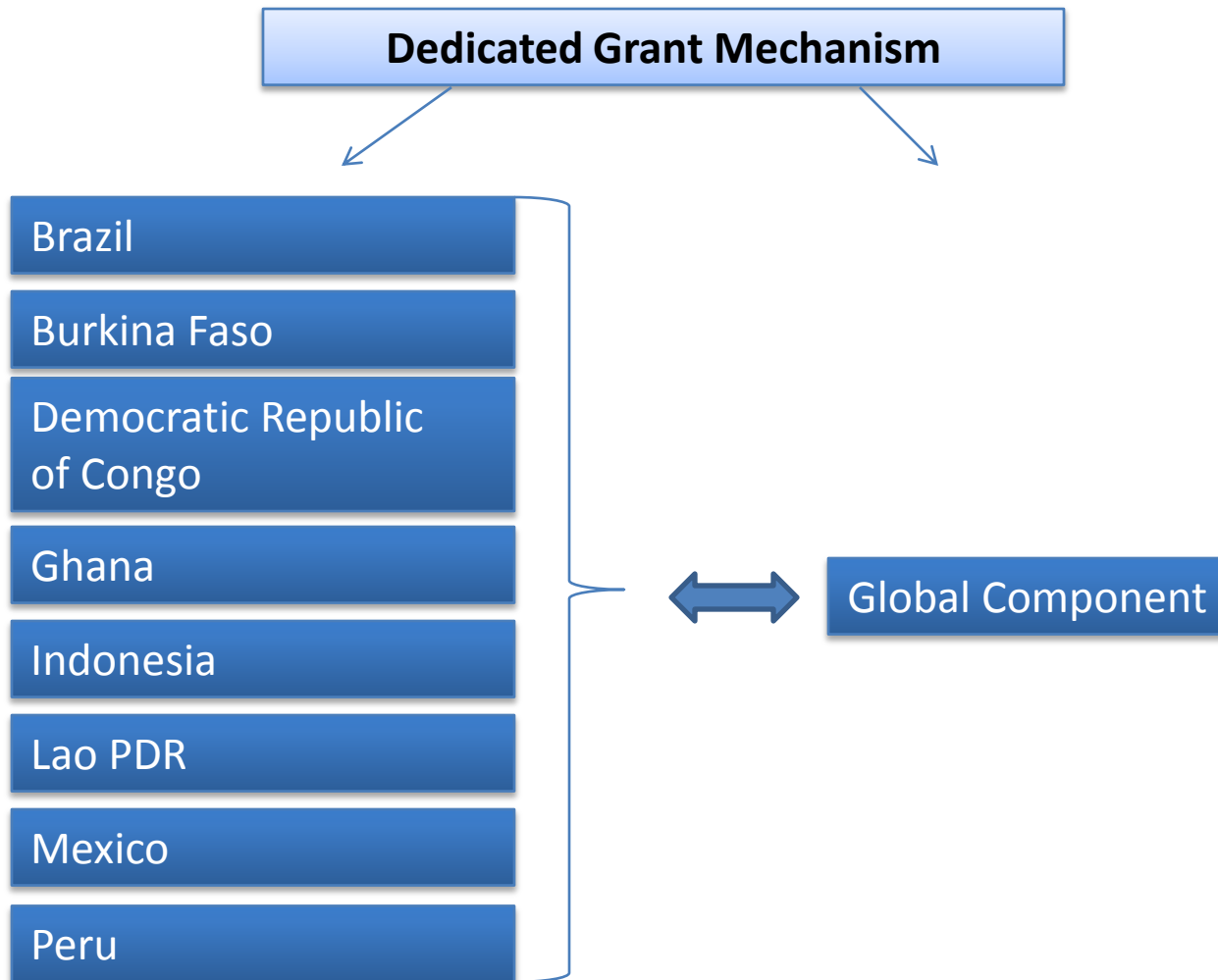
- ✿ Consistency with FIP Design Document;
- ✿ Full and effective participation of indigenous peoples groups and local communities;
- ✿ Enhancement of the capacity of indigenous peoples and local communities to participate fully, effectively and continuously in REDD+ activities in FIP pilot countries;
- ✿ Creation of multiple benefits, including conservation of biodiversity and improved livelihoods;
- ✿ Respect for indigenous and local context in the pilot countries;
- ✿ Clear link to FIP investment plans;
- ✿ On-the-ground activities and lesson and information sharing activities;
- ✿ Streamlined and fast-track access to grant funding;
- ✿ Leverage other resources through institutional synergies



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## Components





<b>Component</b>	<b>Percentage Distribution</b>	<b>US\$ million</b>
<b>Burkina Faso</b>	9%	4.5
<b>Brazil</b>	13%	6.5
<b>DRC</b>	12%	6
<b>Ghana</b>	11%	5.5
<b>Indonesia</b>	13%	6.5
<b>Lao PDR</b>	9%	4.5
<b>Mexico</b>	12%	6
<b>Peru</b>	11%	5.5
<b>Global</b>	10%	5
<b>TOTAL</b>		<b>50</b>



- ✿ Ownership and joint decision-making by indigenous peoples and local communities
- ✿ Partnership and collaboration among MDBs – lead MDB for each country and global program
- ✿ Transparency and accountability in decision-making processes
- ✿ Flexibility, efficiency and administrative clarity



- ✿ Decentralized Approach
- ✿ Collaborative governance structures
- ✿ Complementarity to main FIP investment program in pilot countries
- ✿ Lessons from country implementation captured and shared by the global component



- ✿ Each pilot country program to have an executing agency that disburses the funds to eligible indigenous peoples and local communities
- ✿ A National Steering Committee for each country will be main decision making body
- ✿ An MDB lead for the implementation in each country
- ✿ Global knowledge sharing and networking activities through a global executing agency





- ✿ The Global Steering Committee and National Steering Committees will have Indigenous Peoples, Local Communities, MDBs and Government representation:

*Decision-makers:* Elected representatives of indigenous peoples groups and local communities

*Observers:* One representative each from government, private sector, civil society, and relevant MDBs

Note: The lead MDB in collaboration with the executing agency will ensure consistency with the Design document of the DGM and other relevant provisions.



- ✿ Leadership and oversight
- ✿ Identification of eligible activities
- ✿ Decision-making rules and procedures in accordance with agreed approach for DGM
- ✿ Facilitate complaint and mediation mechanisms
- ✿ Ensures synergies with global/national REDD+ processes and FIP investment plans
- ✿ Reporting



## General Points:

- ✿ Outreach program on DGM in each pilot country
- ✿ Technical assistance/training to beneficiaries
- ✿ National executing agency to report to global executing agency and MDBs
- ✿ National Steering Committee to establish eligibility criteria as to who can access grants and as to which activities



- ✿ Executing agency issues call for proposals from IPs and LCs in accordance with criteria established by National Steering Committee;
- ✿ Executing agency pre-screens proposals and calls for meeting of the National Steering Committee;
- ✿ National Steering Committee assesses proposals and approves on proposals;
- ✿ Executing agency informs proponent of approval, issues a contract and disburses grants to the beneficiary;
- ✿ Beneficiary executes activities and reports back on results and financials

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*For more information, please visit:  
[www.climateinvestmentfunds.org](http://www.climateinvestmentfunds.org)*

