



Learning Review of the Dedicated Grant Mechanism

FIP Sub-committee

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Learning Review of the Dedicated Grant Mechanism



What is the Learning Review?

A resource providing responses to what stakeholders wanted to know about the Dedicated Grant Mechanism

An explanation of how a grant mechanism for Indigenous People and Local Communities came into being and evolved into what it is today

What did people want to know?

Two broad groups:

1. External stakeholders wanted an indication of what effect the DGM may be having
2. Those working on the DGM wanted information useful for continuing or expanding their work

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Topic 1: What early effects is the DGM having?
Enabling outcomes towards greater IPLC control



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Respondents' most desired outcome:

That the DGM is **proving** that IPLC-led initiatives are a viable model

This is considered by some as more important than the amounts channelled to date, and for others it justifies the time spent in set up

*No one says this has already been achieved, but the pathways enabling it to happen are where the greatest effects so far are found.... **Motivation; Capacities; Relationships;***

...as well as effects on World Bank, FIP, REDD+ and National Executing Agencies

*IPLCs also interested in emerging substantive effects – **land titling, income generation, rights, natural resource preservation** (external stakeholders very interested in the latter)*



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Enabling Pathway: Motivation - A sense of ownership

Keenly felt; developed from the DGM's intention to fund initiatives requested and designed by communities

Sense of ownership held by IPLC representatives and subproject communities. Not by the NEAs.

A potentially transformative motivation:

- 'Never going back' to top down implementation of projects
- Wish to continue the DGM after FIP funding finishes
- Personal commitment – ensuring it works, solving disputes
- Deterring corruption?

Differences:

- Own the **mechanism** (Peru) or more the **principles** (Burkina Faso; Brazil)?
- Whether the NSC feels confident on their own (Peru, yes; Brazil, no)

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Enabling Pathway: Capacities - Growing from a low starting point

*Generally – management capacities said to be growing from a low starting point through **exposure, compliance and NEA support.***

- (1) Governance of grant mechanism ● ●
- (2) Project design ● ●
- (3) Financial management ●
- (4) Natural resource management ● ● ●

Key: ● ● ●

General level of IPLC current capacity in furthest advanced DGM countries

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(1) Governance through the National Steering Committee ● ●

DGM appears to be:

- Imbuing the importance of transparency, and use of good mechanisms for ensuring funding reaches IPLCs (e.g. site visits)
- Enacting good oversight through monitoring, but challenged by geographies, communication and the number of subprojects in some countries

Whether good governance is due to compliance to World Bank rules or exists as embodied values remains to be seen; some processes said to be difficult (safeguarding) but appears to be good personal buy-in to the ethos of transparency.

Challenge of representative:community ratio, especially in larger countries



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(2) Project design ●●

DGM appears to be:

- Establishing, in representative organizations and communities, the ability to convert needs into fundable projects
- Bringing representatives closer to the communities, creating the potential for better national level representation

(3) Financial management of projects ●

Expectation of fiduciary propriety by sub-project holders and building organizations' capacity to do so (faster in some countries than others)

(4) Natural resource management ●●●

Building on communities' existing knowledge and established best practice to improve and scale, with some quick wins

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Enabling Pathway: Relationships - **DGM bringing people together and connecting them to external processes**

DGM appears to be:

- Bringing people together who wouldn't ordinarily collaborate (IPLCs groups)
- Setting up sharing at different scales: global, organizational, inter-community
- Catalysing informal sharing between communities
- Connecting IPLCs to land titling processes and FIP and REDD+
- Making them visible to funders and those who should recognise their rights



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Greater inclusion of IPLCs in FIP and REDD+:

- DGM and FIP projects have followed different timelines, which has made operational collaboration difficult
- Where NSCs include strong IP organizations, DGMs have tended to position themselves as independent to FIP and World Bank for political reasons
- Nevertheless, clear improvements in World Bank–IP organization relationships in these countries that can be attributed to the process of negotiating the DGM
- IP organizations prefer a more holistic view of REDD+ that goes beyond carbon capture
- Nevertheless, evidence that DGM has helped move them from a position of suspicion to one where REDD+ is seen as a way to argue for land rights

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The scale of the effects:

A large, historic need from IPLCs beyond income and natural resource management

Demand unlocked and generated by the DGM

Not yet 'National'

Current level of funding appropriate for proving the mechanism?

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Topic 2: What are the major lessons from the DGM?

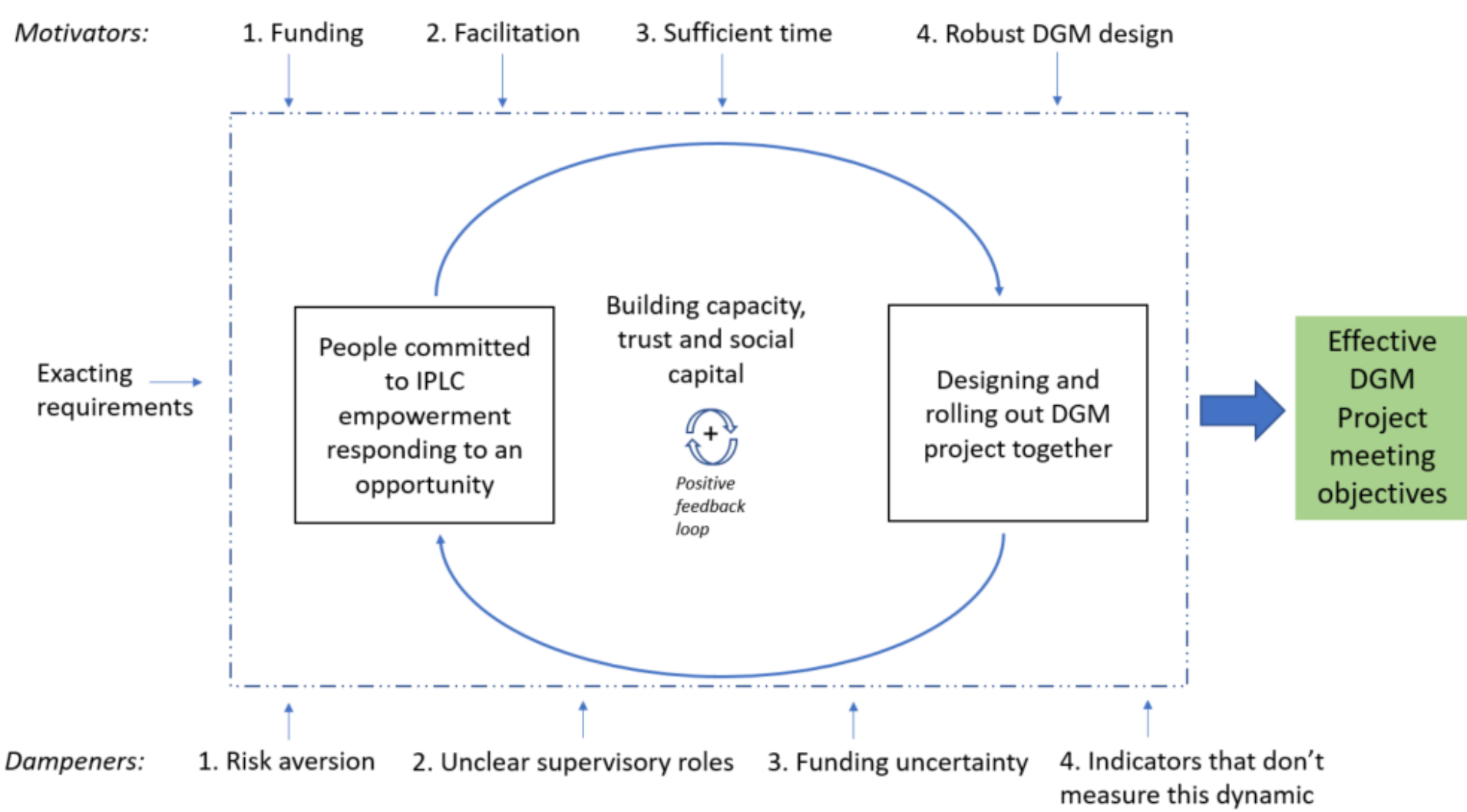
Design considerations: When and how to implement



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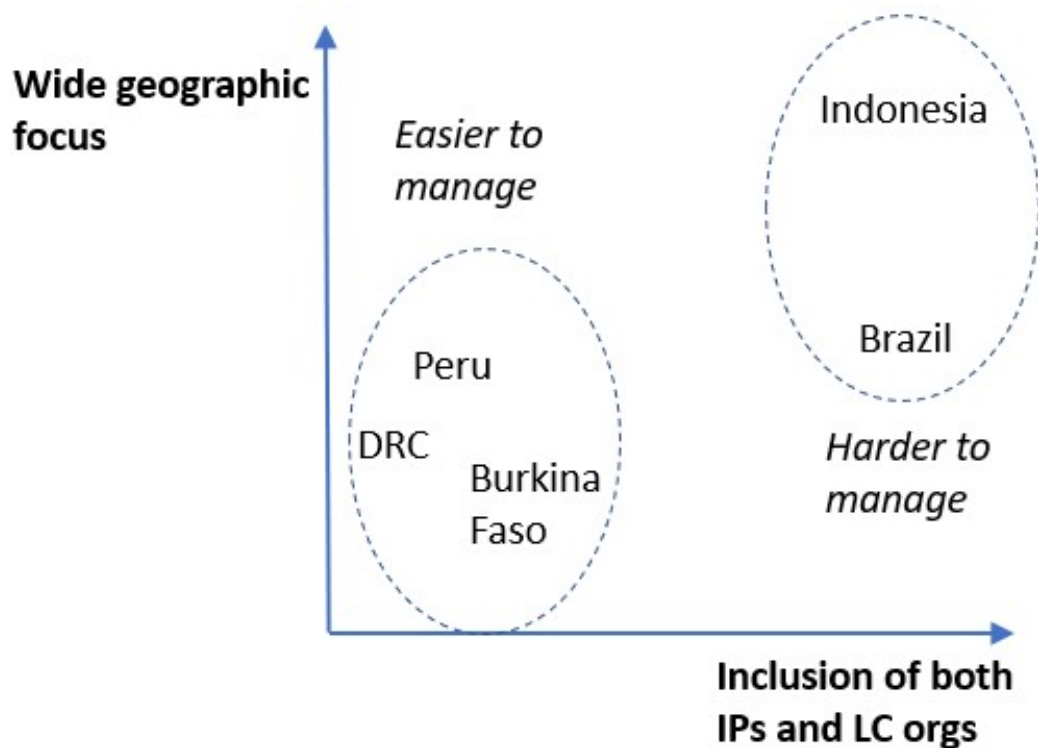
Dynamic driving the progress of the DGM



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Geographic focus, selection and operation of the NSC



Insight:

There is a clear trade-off:

- Covering a large geographic area and managing a diverse NSC both add complexity
- On the other hand, narrow focus and less inclusion may make the DGM less attractive to donors

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Selection and operation of the NEA



Insight:

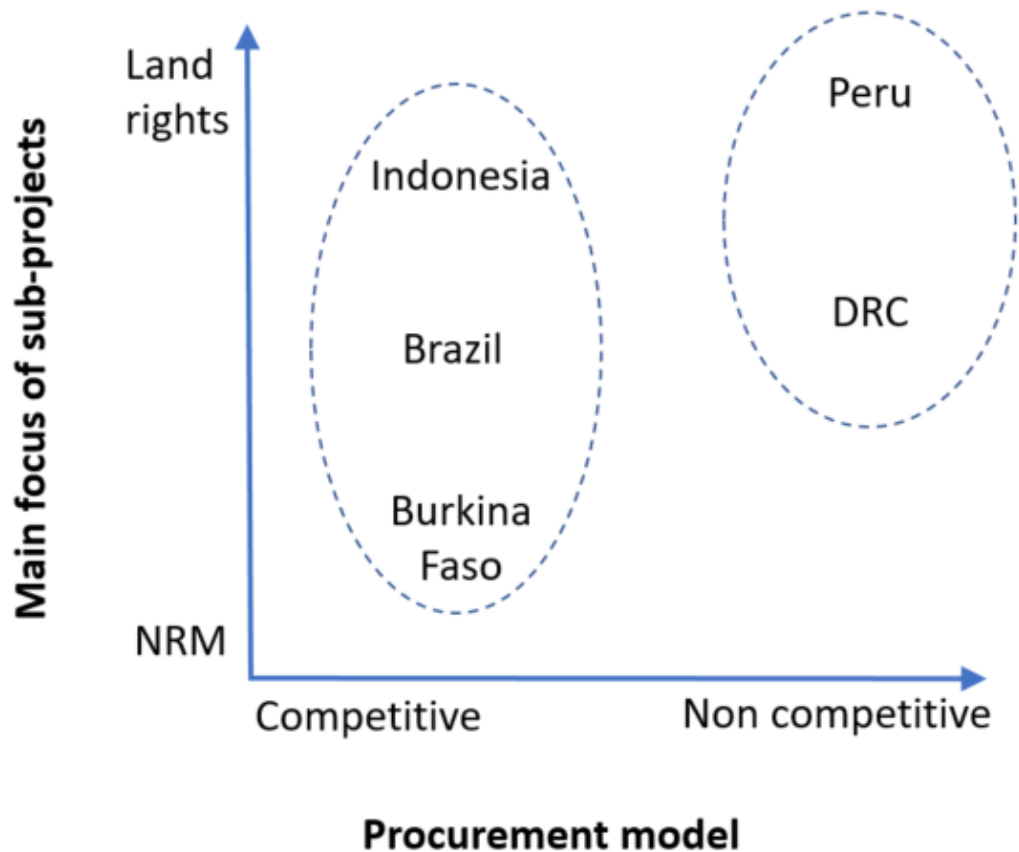
Another trade-off:

- Selecting an NEA to be purely a fiduciary agent makes it less likely that they will dictate an agenda to the NSC
- A technically-competent NEA can reduce transaction costs and ensure greater coherence in providing necessary capacity development and technical oversight

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Selection of sub-projects



Insight:

Countries fall into two groups:

1. Non-competitive procurement fits better with Pathway 2 because it allows more support to institutionally-weaker organizations to develop good proposals
2. Titling sub-projects provide quick wins that build recognition of the DGM (Peru)



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Summary: Key Messages:

- DGM is proving that IPLC ownership of projects is becoming a viable option – technical counterparts are still required, but capacities grow over long-term
- A large part of its success is driven by people who recognise the importance of making a commitment to IPLCs and building trust from that
- A range of design considerations for making the most of a DGM in a given context – size, focus, NEA role, sub-project procurement model
- Critical juncture – keeping the motivation and ethos at breaks in funding
- The DGM holds a wealth of learning on IPLC-led initiatives that should not be lost

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What's next?

Stakeholder review and comment on the draft report in **June 2018**

Itad's report on the DGM will be widely available in **July 2018**

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