

# CLIMATE INVESTMENT FUNDS

May 27, 2015

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**APPROVAL BY MAIL: PERU: DEDICATED GRANT MECHANISM (FIP)(DGM)(IBRD)**

Comments received from the United Kingdom

Dear Mafalda,

Thank you for providing the UK with the opportunity to comment on the Peru DGM project proposal, and for the additional time allocated to do so.

The overall objectives are good and will provide much needed support to IPs and forest communities in Peru. We are particularly interested to see a component of the project with ring-fenced funds specifically for activities with indigenous women. The project is well aligned to FIP priority areas and has a strong section on the risks associated with this intervention.

However, we have a number of comments, mainly relating to project delivery/governance and capacity issues, to which we would appreciate a response before we approve the proposal.

The governance structure is quite complex, with an added layer of project intermediaries at the sub project level, comprising regional indigenous federations and organizations. More information on these entities, their capacity and degree of representation would be helpful. Presently, reference is made to the further development of the sub project idea under the project's Operational Manual.

It is not clear to us how the capacity of local grant recipients will be developed to the point that they will be able to put forward good quality proposals. We would also appreciate further assurances regarding the capacity to implement activities in the field, often in remote areas.

In fact, many of the issues that we are concerned with regarding, for example: how decisions will be made, including criteria for selection, transparency of process and whether accountability frameworks are in place; details of how conflicts of interest will be handled, should be addressed in the Project's Operations Manual once developed. Given the importance of getting the procedures right in this Manual, we would like to hear what the quality assurance mechanism will be to ensure that these important questions are adequately addressed, and how the OM will be approved, and by what entity?

We would also appreciate further details on how the project will interact with other "local communities" that may not benefit directly from native community land titling for example, but whose livelihood may depend on the same areas of forest.

We would be happy to have a call to discuss these points further if that would be helpful

Best wishes

Gaia

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