**Guide to the Green Climate Fund and Indigenous Peoples[[1]](#footnote-1)**

1. **WHAT IS THE GREEN CLIMATE FUND?**

The United Nations Framework Convention on Climate Change (UNFCCC) created the Green Climate Fund as a financial operating entity to disburse funds for low emission and climate resilient project and programmes developed by the public and private sectors.

The Fund was established during the COP 16 in Cancun Mexico in 2010, and it aims to promote paradigm shift by funding both mitigation and adaptation projects to contribute to the sustainable development of developing countries. It was envisioned to spend half of its fund for adaptation projects, half of which is for adaptation in most vulnerable counties like least developed countries (LDCs), African states and small island developing states (SIDS); and the other half for mitigation projects.

It has a goal to mobilize $100 billion per year by 2020 from variety of sources to address the mitigation and adaptation needs of developing countries. According to the Funds’ website, it has already raised USD 10.3 billion in pledges as of September 2016.

Under Article 4.3 of the UN Framework Convention on Climate Change (UNFCCC), developed countries committed to provide funding for the “agreed full incremental costs” of climate change in developing countries, meaning the additional costs of transforming business-as-usual fossil-fuel dependent economic growth strategies into low-emission climate-resilient development pathways.

1. **WHY ARE INDIGENOUS PEOPLES CRITICAL TO THE GREEN CLIMATE FUND?**

The United Nations Permanent Forum on Indigenous Issues (UNPFII, 2009) says that there are about 370 million Indigenous Peoples living in over 90 countries around the world*.* Most of these indigenous peoples live in territories that coincide with the world’s remaining biodiversity. This is a result of the indigenous peoples’ traditional knowledge systems and practices on sustainable resources management.

These resources and forests serve as source of livelihoods andcultural survival for many indigenous peoples are also very crucial for climate change mitigation and adaptation. Unfortunately, these same territories are also among the most fragile ecosystems and hotspots of climate change. Climate change impacts everyone. But indigenous peoples are among the most vulnerable due to their very close relationship and high dependence on natural resources for livelihoods and survival.

Historical marginalization in development practice, high poverty levels, low level of literacy, weak or poor representation in governance and other decision-making structures, and the reliance on natural- resources-based livelihoods production systems make indigenous peoples highly vulnerable to climate change related shocks and other negative impacts. This, in turn, adversely affect their well-being, livelihoods, cultures and identities.

On top of this, indigenous peoples are also at the forefront of negative effects of *of unsafeguarded mitigation measures and actions – which are taken in response to climate change. Thus, indigenous peoples pay a “double negative price” for Climate Change - they suffer from direct adverse climate change impacts, as well as from actions or measures taken to stop climate change from occurring or developing further (Riamit, 2016).*

But it takes a lot of finance, technology and other resources to combat climate change. Hence, the concerted efforts of countries to pledge for the Green Climate Fund is a welcome not only to indigenous peoples but to many developing countries. The fund will not only cover the cost of adaptation and mitigation project but would also contribute towards compensation for already damaged and lost lands, resources and livelihoods of indigenous peoples due to the adverse impacts of climate change.

And from the very start, indigenous peoples have been pushing for their full and meaningful participation, direct access and safeguards in the UNFCCC. In other earlier climate finance available such as the Adaptation Fund, Climate Investment Finance (CIF) and REDD+ mechanisms among others. As a result of consistent lobby and policy advocacy work, the indigenous peoples’ efforts have paid through recognition of the needs for IP observer seats, dedicated funds, operationalization of FPIC, recognition of customary land rights and other safeguards, among others. All of these gains of indigenous peoples in the other climate funds are not present in the present way the GCF operates. And this is the reason why indigenous peoples are critical in the Fund.

1. **WHO ARE THE PLAYERS IN THE GCF?**
2. **UNFCCC-** The United Nations Framework Convention on Climate Change is in charge with the 195 countries who are parties to the Convention. These countries were the one who approved the Governing Instrument that guides how the GCF operates. While the GCF is an independent body, the COP provides recommendations to the Fund and the GCF in turn, reports to the COP annually. In its reports, the GCF reviews how it has responded to COP recommendations.
3. **The Executive Director:** Mr. Javier Manzanares was appointed by the Board in June 2016 as the Executive Director following the end of term of the previous Director Hela Cheikrouhou. He serves as the ad interim Director until the Fund completes the process of hiring a new Executive director. The Executive Director heads the GCF Secretariat and is selected through an open and transparent merit-based system. Manzanares is a citizen of Spain.
4. **The Board members:** The board is composed of 24 members, with equal representation from developed and developing countries, with special seat for LDCs and SIDS. The co-chairs (1 from developed and 1 from developing countries) are elected by the members and are to serve for three years with possibility of extension.

The board members have the powers to vote and decide in the Fund. The current co-chairs are Mr. Ewen McDonald of Australia and Zaheer Fakir of South Africa. It usually conducts two to three times per year face-to-face meetings. But for 2016, the board is conducting four meetings including the upcoming 14th meeting on October 12-14 and the 15th board meeting on December 2016.

1. **The GCF Secretariat:**As of September 2016, the GCF says that it has about 80 staff members, including consultants, at its headquarters in Songdo, Republic of South Korea and in other countries. The secretariat provides administrative and technical support for the day-to-day operations of the Fund. They can be contacted at:

The GCF Headquarters

Songdo Business District

175 Art center-daero

Yeonsu-gu, Incheon 22004

Republic of Korea

+82.32.458.6059(KST)

1. **Trustee:** The World Bank is interim trustee but the Board is set to talk about a *Competitive process for the selection of the permanent Trustee* at its 14th Board meeting in October 2016.
2. **The Contributors:** The money for the Green Climate Fund comes from pledges of both developed and developing countries. It also plans to mobilize other public, private and philanthropic sources for funding. But as of September 2016, the Fund has raised USD 10.3 billion equivalent in pledges from 43 states, 3 regional governments and 1 municipal government, still a far cry from its target of 100 billion per year by 2020.

The Initial resource mobilization period for the GCF is from 2015-2018- meaning it accepts pledges in a continuing basis. But once *60% of contributions have been approved towards projects and programmes, the Fund will rely on a systematic process to replenish these resources.[[2]](#footnote-2)* For the most comprehensive details of pledges and contributions, please see: http://www.greenclimate.fund/partners/contributors/resource-mobilization

1. **The Observers**

The Green Climate Fund recognizes just two active observers- the Civil Society and the private sector. The CSOs have two active observers- one for the north and another once for the south with two alternate observers each with regional and gender balance. The active observers have two-year term with maximum of two terms each. They can participate directly in board meetings and take the floor only if requested by the the board members.

The CSO observers are nominated by their constituencies who are accredited in the GCF. Nominations are then decided upon through election of the accredited CSOs in the region (i.e. only northern CSOs will vote for Northern active observers and this process is also the same for Southern CSOs).

The current active observer for the Northern CSOs is Liane Schalatek (Heinrich Böll Foundation in North America) with Oscar Reyes (Institute for Policy Studies) and Lutz Weischer (Germanwatch) as alternates. Meanwhile, Lidy Nacpil (Asian Peoples’ Movement on Debt and Development) serves as the active observer for Southern CSOs with Andrea Rodriguez (Asociación Interamericana para la Defensa del Ambiente) as alternate.

Unlike in the UNFCCC, indigenous peoples and other stakeholders are not recognized as distinct and separate constituency in the GCF and hence are not given active observer status. Thus, the indigenous peoples team lobbied for the possible inclusion of an IP member as an alternate active observer. The process for nomination and election was done in September 2016 and Kimaren Ole Riamit from the Indigenous Livelihood Partners (ILEPA) of Kenya has been elected as the second alternate active observer for the Southern CSOs. The current term of the active observers ends on December 2017.

1. **Accredited Entities**

Accredited Entities are institutions that have been approved by the Board to act as channels through which the Fund will deploy its resources to developing countries.

Application for accreditation

Secretariat and ITAP reviews application

approved

disapproved

You can submit project proposals to the GCF

**Who may apply for accreditation?**

Accreditation to GCF is open to sub‐national, national, regional and international, public, private and non‐governmental institutions which are eligible to apply through the Fund’s Online Accreditation System.

Anybody can come up with an idea for funding proposal but only accredited entities may submit proposals to the GCF. As of August 2016, there are a total of 33 accredited entities in the GCF and 183 entities seeking for accreditation. This is the list of the accredited entities so far:

|  |  |
| --- | --- |
| 1. Agency for Agricultural Development of Morocco (ADA),
2. Ministry of Finance and Economic Cooperation of Ethiopia (MOFEC)
3. National Environment Management Authority of Kenya (NEMA
4. Development Bank of Southern Africa (DBSA)
5. CréditAgricole Corporate and Investment Bank,
6. HSBC
7. African Development Bank (AfDB)
8. European Investment Bank (EIB)
9. International Finance Corporation (IFC)
10. Unidad Para el Cambio Rural Argentina (Unit for Rural Change, UCAR)
11. International Union for Conservation of Nature (IUCN),
12. World Food Programme (WFP) and
13. World Meteorological Organization (WMO)
14. Centre de Suiviecologique (CSE) Senegal
15. Profonanpe (Peru)
16. Secretariat of the Pacific Regional Environment Programme (SPREP), Samoa
17. Acumen Fund (Social Impact Investment Fund)
 | 1. Asian Development Bank
2. UNDP
3. KfW Development Bank, Germany
4. Africa Finance Corporation (AFC)
5. AgenceFrançaise de Développement (AFD),
6. Caribbean Community ClimateChange Centre (CCCCC), Belize
7. Conservation International Foundation (CI),
8. Corporación Andina de Fomento (CAF)
9. DeutscheBankAktiengesellschaft (DeutscheBank AG), Germany
10. EnvironmentalInvestment Fund of Namibia (EIF), Namibia
11. EuropeanBank for Reconstruction and Development (EBRD),
12. Inter‐American Development Bank (IDB),
13. International Bank for Reconstruction and Development (IBRD) and the International and Development Association (IDA)
14. Ministry of Natural Resources of Rwanda (MINIRENA), Rwanda
15. National Bank for Agriculture and Rural Development (NABARD), India
16. United Nations Environment Programme (UNEP)

This might change after October 2016 |

Entities can be accredited to undertake activities of a certain size category (e.g. total projected costs) and financial activity (such as implementing projects and programmes, on-granting, on-lending, undertaking equity investments, and providing guarantees).

1. **National Designated Authorities**

An NDA is a government agency or entity that is set up or appointed and tasked to provide program oversight, country programming activities, that include, among others, country level coordination, nomination of Implementing Entities, approval of funding requests and no-objection procedures for the Green Climate Fund.

The NDAs are also expected to ensure institutional set-up (using existing structures and processes complemented by capacity building), do capacity building – support through Readiness Program and multi-stakeholder’s consultation at the national level.

Countries have appointed either their ministries of finance, energy or environment as their NDAs. The NDA processes are crucial for engagement and participation especially for countries that do not recognize indigenous peoples’ rights.

To find out who your NDAs are, please go to:

1. **Implementing Entities/ Executing Entities**

They are the project owners or entities that are directly responsible for the operational implementation and execution of the project with full accountability to relevant intermediaries.

These entities are selected and designated by their National Designated authorities to implement project proposals at the country level. Implementing entities can be national or sub-national entities. In some cases, however, the Accredited Entities or the the National Designated Authority can also be the same implementing entity.

***The GCF Project Approval Cycle***

Modify proposals

Accredited Entity will submit a funding proposal

Board decides on the proposal

Secretariat and ITAP review proposal and recommend it to the Board

Request reconsideration through the Independent Redress Mechanism

disapproved

approved

Conditional approval

NDAs may request Readiness support

**How are proposals evaluated?**

1. A letter of “no-objection” from the host country’s National Designated Authority (NDA) shall accompany all funding proposals.
2. Secretariat checks completeness of and compliance of the proposal to GCF policies including environmental and social safeguards, fiduciary standards and gender policy and the GCF Investment Framework.
3. Secretariat provides assessment to Independent Technical Advisory Panel (ITAP).
4. ITAP recommends to the board based on GCF Initial Investment Framework with the following investment criteria:
* Impact potential
* Paradigm shift potential
* Sustainable development potential
* the needs of recipient (host country and those affected by the activity)
* country ownership
* efficiency and effectiveness
1. **SOME PRINCIPLES OF THE FUND THAT ARE RELEVANT TO INDIGENOUS PEOPLES**

**Country Ownership**

Different from many other climate finance entities, the GCF was set up to pursue a country-driven and gender sensitive approach that on paper, should promote engagement of relevant stakeholders and institutions. The Governing Instrument states that the fund aims to provide *simplified and improved access to funding, including direct access, that will encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects*.

While the intent of country ownership is to ensure the accountability of the Fund to institutions and people in developing countries where it operate, this can be problematic for indigenous peoples. Country ownership can be tricky especially in countries where indigenous peoples are not recognized. Thus, this principle can just be equated to “government-ownership” that does not really transcend to the people in the communities.

The principle of country ownership and the key role attributed to national entities for planning, implementation and monitoring is an important element where indigenous peoples can engage in, to ensure that the principles announced by the GCF are followed by concrete actions and commitments at the national level.

**Full and Effective Participation**

*What have we been doing so far?*

The engagement of indigenous peoples in climate change dates back even before the conceptualization of the GCF and they are among those who pushed for a fund that recognizes paradigm shift and sustainability. Initially, there was only one person attending the GCF meetings but since the 11th board meeting 2015, an IP team (which is composed of four people) has been consistently participating.

The results of the board meetings are continuously shared with the members of the Indigenous Peoples’ Global Partnership on climate change, Forest and Sustainable Developmen*t* and then later, to the wider IIPFCCC. The IIPFCCC is able to make collective positions and these are carried by the IP team to the GCF. So far, select Tebtebba partners and the IP team have facilitated one global training and three regional training workshops on climate finance and indigenous peoples in 2015 and 2016, respectively.

These workshops were aimed at informing and building the capacities of the indigenous peoples to be able to understand, monitor and evaluate the Green Climate Fund and other climate finance relevant for them. These capacity building activities were also held so that the interests and rights of indigenous peoples are safeguarded from potential adverse social and environmental impacts of climate funds.

*Indigenous Peoples as stakeholders*

Stakeholders are broadly defined in the governing instrument of the the GCF as “private sector-actors, civil society organizations, vulnerable groups, women and indigenous peoples”.

However, indigenous peoples are not recognized as a distinct constituency in the Fund. It also takes a COP decision to add other active observers’ seat to the GCF so the indigenous peoples’ IP team lobbied for the inclusion of an indigenous representative in the active observer seat for southern CSOs.

And as mentioned above, Kimaren Ole Riamit of ILEPA from Kenya has been elected as the second alternate observer and will assume the role in the 14th Board meeting on October 12-14. He will serve as an alternate active observer for two years, renewable for another two years. While the IP team welcomes this opportunity, this is not equal to the call for the recognition of indigenous peoples as a separate constituency in the Fund.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***How and where can IPs participate?***While the GCF does not have an IP policy that guides the operationalization of how indigenous peoples can participate, this should not preclude indigenous peoples from engaging. Below is a list of some possible openings where indigenous peoples can be engaged.

|  |  |
| --- | --- |
| **With whom** | **How** |
| National Designated Authorities | * Be involved in project concept, design, implementation, monitoring and evaluation
* Possibility of direct access to funds
* Help in developing a country strategy
* Engage in the readiness phase of the country
 |
| Accredited Entities | * Propose projects/ programs that can be considered in the GCF
* Possibility of direct access to funds
 |
| Implementing entityAE/ NDA | * Ensure that no harm is done
 |
| GCF/ Fund Level | * Fund governance
* As an accredited entity
 |
| IP team | * Inputs for policy advocacy
 |

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**Safeguards**

The GCF uses the International Finance Corporation Performance Standards as the interim Environmental Social Safeguards of the fund. The governing instrument says that the GCF *will agree on and adopt best practice environmental and social safeguards, which shall be applied to all programmes and projects financed using the resources of the Fund*. The board is set to talk about the ESS in its 14th Board meeting but as it is, the ICF performance standard is very weak and does not align to higher standards on FPIC nor to international obligations and standards as defined among others in the UNDRIP.

The IFC Performance Standards also does not require for involvement of indigenous peoples in social and environmental impact assessments to identify whether there are indigenous peoples present. Likewise, there is still confusion between FPIC and Broad Community Support.

Safeguards are crucial for indigenous peoples especially for projects that might affect them negatively. So even before the approval of the first sets of projects in the 11th Board meeting in Zambia, indigenous peoples have been calling for a postponement of project approvals before necessary safeguards are in place. But since the board was keen to deliver project proposals, it has continued to approve projects and is in the process of considering high risk project proposals in its 14th board meeting.

**WHAT ARE INDIGENOUS PEOPLES’ CALLS TO THE GREEN CLIMATE FUND?**

1. Adopt and operationalize a free- standing Indigenous Peoples’ that is in line with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and ILO 169 and other applicable international standards and instruments. An IP policy must clearly spell out the legal framework, including applicable international human rights standards and obligations, as well as criteria and principles that the GCF will follow when dealing with projects/programs that would have relevance for Indigenous Peoples.

This policy must include the following elements:

1. the commitment of the GCF to follow a human rights-based approach,
2. respect and adherence to the right of Free, Prior, and Informed Consent,
3. full and effective participation of Indigenous Peoples,
4. acknowledgement of the traditional knowledge, livelihoods, customary rights to land and resources and the positive contributions of Indigenous Peoples to climate change mitigation and adaptation
5. capacity building opportunities for both the GCF Secretariat and NDAs to enhance understanding of Indigenous Peoples’ perspectives.

An IP Policy spells out how the Fund should relate with indigenous peoples. Even if the fund has already approved a project that may affect indigenous peoples (Profonanpe Project), it should not further consider other project proposals that are relevant with indigenous peoples, before an IP policy is in operationalized.

1. Adopt an environmental, social management framework and related safeguards aligned to highest international standards and in complementarity with good practices of other climate funds.
2. Ensure that the mandate of grievance and complaint mechanisms established both at GCF and country levels include indicators to assess safeguard compliance and include avenues to mediation to address harms suffered;
3. An effective participatory and robust monitoring and accountability compliance framework that would include participatory approaches such Community- Based Monitoring Information System (CBMIS);
4. Develop and adopt stringent criteria to ensure the effective engagement, consultation and participation of indigenous peoples both in the GCF activities and at country and regional levels (such as with the Nationally Designated Authority and the Implementing Entities);
5. Operationalize the recognition of implications of the positive contribution of indigenous peoples’ traditional knowledge in mitigation and adaptation actions as explicitly provided by the the Paris Agreement (Decision 1/CP.21)

For more information, please visit the GCF website at [www.greenclimate.fund](http://www.greenclimate.fund) or also contact the Indigenous Peoples Team composed of Francesco Martone and (policy advisor) francescomartone1@gmail.com, Kimaren Ole Riamit (Southern alternate active observer) kimaren@yahoo.com, Eileen Cunningham Mairena (Nicaragua), Helen Magata (Tebtebba) at len@tebtebba.org and Raymond de Chavez (Tebtebba) at raymond@tebtebba.org.

1. *Contents of this guide are largely culled out from IP submissions to the GCF, power point presentations and other resources, written by Grace Balawag, Kimaren Ole Riamit, Galina Angarova, Francesco Martone and Helen Magata* [↑](#footnote-ref-1)
2. Green Climate Fund. Contributors. Accessed 26 September 2016 from: <http://www.greenclimate.fund/partners/contributors/resource-mobilization> [↑](#footnote-ref-2)