

An Indigenous Peoples Policy for the Green Climate Fund¹

Background

The Fund's Governing Instrument² - as well as other policies such as the Interim Environment and Social Standard (ESS)³ and the draft Environment and Social Management Standard (ESMS)⁴ - refer to the Fund's obligation to fully and effectively engage with indigenous peoples in the design, development and implementation of the strategies and activities to be financed by the Fund, while respecting their rights. More recently, in its 15th meeting, the Board has given a mandate to the Secretariat to develop a Fund-wide Indigenous Peoples policy for the Green Climate Fund for consideration at the 16th meeting of the Board.⁵

The obligation to respect human rights and to engage indigenous peoples in climate change policies and actions has been explicitly recognized in the Cancun Agreement⁶. The need to respect the rights of indigenous peoples has been further reiterated in the preamble of the Paris Agreement⁷. Furthermore, the Agreement acknowledges the positive contribution of indigenous peoples' traditional knowledge systems in achieving its goals⁸ and to strengthen practices and efforts of local communities and indigenous peoples related to addressing and responding to climate change⁹.

Rationale

Indigenous peoples (men and women) play a key role in, and offer invaluable contributions to, climate change adaptation and mitigation through their traditional knowledge and sustainable resource management systems and practices, which are

¹ This has been agreed during the Workshop on the Proposed IP Policy including Safeguards and Redress Mechanism for the GCF on 4-5 February 2017.

² "XIII. STAKEHOLDER INPUT AND PARTICIPATION: 71. The Board will develop mechanisms to promote the input and participation of stakeholders, including private-sector actors, civil society organizations, vulnerable groups, women and indigenous peoples, in the design, development and implementation of the strategies and activities to be financed by the Fund"

³ https://www.greenclimate.fund/documents/20182/114264/1.7_-_Environmental_and_Social_Safeguards.pdf/e4419923-4c2d-450c-a714-0d4ad3cc77e6

⁴ https://www.greenclimate.fund/documents/20182/24913/DCP_15-12-2016_-_GCF_Environmental_and_Social_Management_System.pdf/3b05eb86-4636-4179-aa1d-ebfcec34037e

⁵ "Requests the Secretariat to prepare for consideration by the Board, at its seventeenth meeting, a fund-wide Indigenous Peoples Policy; and (b) Invites submissions from the Board, and Alternate members and observer organizations in relation to the development of the GCF Indigenous Peoples Policy"

http://www.greenclimate.fund/documents/20182/490910/GCF_B.15_02_-_Report_on_the_activities_of_the_Co-Chairs.pdf/d1ec152c-e2d5-446a-ae29-79a4e5ee5d03

⁶ <https://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf>

⁷ "Acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples," Preamble, Paris Agreement <http://unfccc.int/resource/docs/2015/cop21/eng/10a01.pdf#page=2>

⁸ "Parties acknowledge that adaptation action should follow a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems, and should be based on and guided by the best available science and, as appropriate, traditional knowledge, knowledge of indigenous peoples and local knowledge systems";

⁹ "Recognizes the need to strengthen knowledge, technologies, practices and efforts of local communities and indigenous peoples related to addressing and responding to climate change, and establishes a platform for the exchange of experiences and sharing of best practices on mitigation and adaptation in a holistic and integrated manner"

critical in achieving the goals of the Green Climate Fund. Despite of their small carbon footprint, indigenous peoples are the most vulnerable to climate change and to the consequences of ill-conceived solutions to climate change, including specific adverse impacts to indigenous women.

In order to enhance the contributions of indigenous peoples to climate change solutions in line with the goals of this Fund, and ensuring the respect for their rights and wellbeing, an Indigenous Peoples policy is required to provide guidance for the Fund, Accredited Entities and stakeholders. The policy will also allow for a comprehensive and holistic approach to indigenous peoples-related matters that pertain to the Fund's activities and goals.

Objectives

The Indigenous Peoples Policy of the Green Climate Fund has the following objectives:

- a. to facilitate the positive contributions of indigenous peoples to climate change mitigation and adaptation;
- b. to assist the Fund, with the effective participation of indigenous peoples, to achieve its transformational goals, and paradigm shift, with greater, more effective, sustainable and equitable climate change results, outcomes and impacts;
- c. to avoid and mitigate possible adverse impacts of the Fund's activities on indigenous peoples' rights and well-being;
- d. to ensure the respect of the rights of indigenous peoples in the whole spectrum of the Fund's activities and initiatives, in accordance to applicable international obligations and standards such as the ILO 169 and the UN Declaration on the Rights of Indigenous Peoples (UNDRIP);
- e. to recognize and effectively apply the principle of Free Prior Informed Consent (FPIC), in accordance to international best practices and standards;
- d. to promote and ensure the full and effective participation of indigenous peoples at all levels of the Fund's activities and initiatives.

Policy Principles

The Fund's Indigenous Peoples policy consists of the following elements:

- ***Respect for indigenous peoples' rights including the application of Free Prior Informed Consent (FPIC), and the Full and Effective Participation of indigenous peoples on activities that affects them.***

The Fund's projects and programs shall respect the rights and responsibilities set forth in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and other applicable international instruments relating to indigenous peoples.

In particular, The Fund's activities shall respect indigenous peoples' rights to land, territories and resources, to their cultural and spiritual heritage and values, traditional knowledge, resource management systems and practices, occupations and livelihoods; and customary institutions and overall wellbeing.

The Green Climate Fund, Nationally Designed Authorities, Accredited Entities, Intermediaries and Implementing Entities shall ensure the full and effective participation of indigenous peoples in Fund's supported policies, processes, programs and projects that may affect them, positively or negatively, or infringe their rights and ability to sustain their way of life. This shall require the development and implementation of an indigenous Peoples Engagement Plan that describes the disclosure of information, and meaningful consultation and informed participation processes required, through a clear mechanism of sustained engagement and effective participation. Indigenous peoples representatives duly selected by them shall also participate in project identification, development, implementation, monitoring and evaluation in relevant projects.

The representatives of indigenous peoples that will engage in relevant GCF projects, processes, programs and projects will be chosen by indigenous peoples themselves in accordance with their own procedures, as far as this is possible and practical.

The Fund shall ensure the effective application of Free Prior and Informed Consent (FPIC) for projects that can negatively impact Indigenous Peoples' traditional ownership and users' rights on lands, territories, resources, livelihoods and cultures. FPIC shall be an iterative process, whereas indigenous peoples' **consent shall be sought before any initiative is undertaken on the basis on their own independent and collective decision-making process**, and of adequate information to be provided in a manner that is understood by them and in a proper and effective consultation process, free of coercion or intimidation. A specific **Guidance on the application of Free Prior Informed Consent and Engagement of Indigenous Peoples in the Green Climate Fund** will be developed and adopted on the basis of this policy.

The Fund shall ensure the inclusion and effective participation of indigenous peoples (including women and youth) in the conduct of the environmental, social and cultural impact studies and assessment. An interdisciplinary approach with the participation of indigenous experts shall be applied and the views and concerns of indigenous peoples shall be taken into account. Case studies and reports prepared by indigenous peoples shall be considered. Further, an independent validation of findings shall be carried with the participation of indigenous peoples, including the determination of risk categories of proposed project prior to the finalization/approval of the assessment report.

- ***Indigenous peoples under voluntary isolation***

The GCF shall respect the right of indigenous peoples under voluntary isolation to remain in said isolated condition and to live freely according to their culture. In order to safeguard the collective and individual physical, territorial, and cultural integrity of these peoples, projects that may have potential impacts on these peoples, their lands and territories, or their way of life will have to include the appropriate measures to recognize, respect and protect their lands and territories, environment, health and culture, and to avoid contact with them as a consequence of the project.

- ***Safeguards***

The Environmental and Social Safeguards of the GCF (interim and final) shall be consistent with the scope, principles and criteria of this policy.

- ***Indigenous Peoples' Traditional Knowledge and Livelihood Systems***

The Fund shall protect and enhance indigenous peoples' traditional knowledge and traditional ecosystem management systems as critical contribution to achieving the goals and purposes of the Green Climate Fund.

- ***Indigenous Women***

The Fund shall support the empowerment, effective participation and leadership of indigenous women in GCF-financed projects through the implementation of the provisions under the GCF's *Gender Policy and Action Plan*. The GCF acknowledges the positive role and contributions of indigenous women in climate change-related actions and their particular vulnerability to climate change

- ***Resettlement***

The GCF shall not finance activities that would result to involuntary resettlement of indigenous peoples.

- ***Comprehensiveness, in scope and coverage***

The Fund applies its indigenous peoples policy to all its climate mitigation and adaptation activities including in preparatory and readiness stages by all international, regional, national or subnational, public or private entities that would be supported by the GCF. This policy will apply to Indigenous Peoples as characterized in art.1 of the ILO 169 Convention.¹⁰

- ***Direct Access to Funding***

The GCF shall provide appropriate access to grant financing for indigenous peoples, tailored to their requirements and needs, in order to support their initiatives and efforts for climate change mitigation and adaptation projects and programs as key to the achievement of the Goals of the GCF.

- ***Accountability, Grievances, and Conflict Resolution***

Proponents of GCF-funded projects and programs affecting indigenous peoples shall establish an effective grievance and dispute resolution mechanism at the project level, in order to address indigenous peoples' project-related concerns. This mechanism shall take into account customary laws and justice systems of indigenous peoples as appropriate, and shall include independent indigenous experts. Further, affected indigenous communities shall also have the option to use the wider GCF accountability mechanism and accountability mechanisms of project proponents (Accredited and Executing entities) and shall be provided with the necessary financial and technical support to access such mechanisms.

¹⁰ (a) tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;
(b) peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.
2. Self-identification as indigenous or tribal shall be regarded as a fundamental criterion for determining the groups to which the provisions of this Convention apply.

The GCF Independent Redress Mechanism and the Indigenous Peoples focal point shall be available and be actively involved in complaints brought forward by indigenous peoples to the GCF.

- ***Competencies and Capacity Building***

The GCF shall develop the capacity of its key advisory and decision-making bodies to understand and properly address indigenous peoples issues and rights, including in the modalities for the appointment of its Board members and Secretariat management and staff. The Secretariat shall appoint a senior staff member(s) with competencies in indigenous peoples issues to lead the implementation of this Policy. The GCF shall also ensure indigenous peoples competencies/ experts are included in the Accreditation Panel, the Investment Committee, the Risk Management Committee and the Private Sector Advisory Group and technical advisers.

The GCF shall support specific capacity building programs for indigenous peoples to ensure their full and effective engagement with the GCF at all levels, (Secretariat, Board, NDAs and IEs) from consultation, to advocacy, and effective engagements for the formulation of project proposals and monitoring and assessment.

V. Implementation framework /Mechanisms

The development of mechanisms and practices in support of the effective implementation of the GCF's Indigenous Peoples Policy are vital for the long-term operation of this Policy. As such, the GCF will establish specific mechanisms to facilitate implementation on the basis of the Indigenous Peoples Policy,

The Board will oversee the implementation of the Policy through the review of periodic monitoring reports from the Secretariat, impact evaluation reports from the Evaluation Unit and reports from the independent Redress Mechanism. The Secretariat will undertake its due diligence for the implementation of this Policy through the accreditation of AEs and intermediaries and the project approval and monitoring process. Furthermore, it will report to the Board on the progress made towards implementing the Policy.

An **Indigenous Peoples Focal Point** will be designated and appointed, to support effective and timely engagement with indigenous peoples. He/she will provide support to GCF Secretariat, indigenous peoples and accredited entities on issues related to this Policy and will facilitate the work of the Indigenous Peoples Advisory Group. The Indigenous Peoples Focal Point will also lead the review and updating of this and other relevant GCF Policies.

An **Indigenous Peoples Advisory Group** will be established to enhance coordination between GCF entities and indigenous peoples. The key function of the group shall be to provide advice to the Indigenous Peoples Focal Point on the operationalization and reviewing of this Policy, particularly on the appropriate modality to enhance dialogue among indigenous peoples, GCF entities and other experts.

The GCF Secretariat and Accredited Entities shall undertake a periodic IP assessment, complementary to the environmental and social safeguards (ESS) process, which will require to collect baseline data, and to (a) determine how the GCF can improve its response to the needs of IPs; (b) Identify the drivers of change and the IP dynamics in order to achieve the project/programme adaptation or mitigation goals; (c) Identify and design the specific and culturally appropriate IP elements to be included in the

policies/projects/programmes; (d) Estimate the implementation budgets; (e) Select specific output, outcome and impact indicators for indigenous peoples; and (f) Design project/programme implementation and monitoring institutional arrangements that develop effective participation of indigenous peoples.

An **Indigenous Peoples Policy Implementation Framework** will also be developed and adopted, The Framework will address include the following priority areas: (a) Governance and institutional structure; (b) Operational guidelines; (c) Capacity building; (d) Outputs, outcomes, impacts and paradigm-shift objectives used for monitoring, reporting and evaluation; (e) Resource allocation and budgeting; and (f) Knowledge generation and communications.