



**GREEN  
CLIMATE  
FUND**

## NOTIFICATION

Date: **11 July 2017**

Reference: DCP/11-07-2017

### **Call for Public Input**

Green Climate Fund Indigenous Peoples Policy

Deadline: 12 August 2017 at 23:59 Korean Standard Time

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**GREEN CLIMATE FUND**

Songdo International Business District  
175 Art Center-daero  
Yeonsu-gu, Incheon 22004  
Republic of Korea

T + 82 32 458 6059  
F + 82 32 458 6094  
info@gcfund.org  
greenclimate.fund

## **Call for Public Inputs: Green Climate Fund Indigenous Peoples Policy**

1. Incheon, 11 July 2017 – In decision B.15/01, paragraph (a),<sup>1</sup> the Board requested the Secretariat to develop a Fund-wide indigenous peoples policy. The policy aims to assist GCF in incorporating considerations related to indigenous peoples into its decision-making while working towards the goals of climate change mitigation and adaptation. The policy is seen to provide a framework for ensuring that activities of the GCF are developed and implemented in such a way that fosters full respect for indigenous peoples and their dignity, human rights, and cultural uniqueness so that they (a) receive culturally appropriate social and economic benefits; and (b) do not suffer adverse effects during the development process.

2. Indigenous peoples are unique and a distinct stakeholder of the Green Climate Fund (GCF) with rights affirmed by international human rights instruments, particularly, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). While indigenous peoples have invaluable and critical contributions to climate change mitigation and adaptation, they are also facing serious threats to the protection of their rights from climate change actions.

3. The obligation to engage indigenous peoples in climate change policies and actions has been explicitly recognized in the Cancun Agreement. The need to respect the rights of indigenous peoples is reiterated in the preamble of the Paris Agreement. The Paris Agreement acknowledges the positive contribution of indigenous peoples' traditional knowledge systems in achieving its goals and recognizes the need to strengthen practices and efforts of local communities and indigenous peoples related to addressing and responding to climate change. The United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties has recognised that a key obstacle to realizing this role is lack of indigenous peoples-specific projects and international funding for these projects and invited the GCF to “to enhance their consideration of local, indigenous and traditional knowledge and practices and their integration into adaptation planning and practices, as well as procedures for monitoring, evaluation and reporting”<sup>2</sup>

4. On 1 March 2017, the GCF Secretariat sent a call for inputs that invited members and alternate members of the Board, and observer organizations, to provide inputs in relation to the development of the indigenous peoples' policy of the GCF. Following the initial submission of inputs from stakeholders, the Secretariat presents the draft Indigenous Peoples Policy contained in annex I of this document for further inputs and comments by the stakeholders of the GCF.

5. The purpose of the consultation is to solicit feedback on and recommendations to improve the proposed Indigenous Peoples Policy of the GCF.

### **I. Inputs requested**

6. The GCF Secretariat is pleased to invite organizations and all entities involved and interested in climate mitigation and adaptation and indigenous peoples rights and issues to provide inputs to the proposed indigenous peoples policy of the GCF.

7. In particular, inputs are welcome in relation to the following:

(a) Scope and principles - Adequacy of coverage and the guiding principles of the policy;

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<sup>1</sup> The compendium of decisions of the seventh meeting of the Board is available at [http://www.greenclimate.fund/documents/20182/490910/GCF\\_B.15\\_24\\_-\\_Decisions\\_of\\_the\\_Board\\_\\_\\_fifteenth\\_meeting\\_of\\_the\\_Board\\_\\_\\_13-15\\_December\\_2016.pdf/8726fc1c-15fc-4a2e-90fb-23267b3f8ea5](http://www.greenclimate.fund/documents/20182/490910/GCF_B.15_24_-_Decisions_of_the_Board___fifteenth_meeting_of_the_Board___13-15_December_2016.pdf/8726fc1c-15fc-4a2e-90fb-23267b3f8ea5).

<sup>2</sup> Decision – CP./20 available at [http://unfccc.int/files/meetings/lima\\_dec\\_2014/decisions/application/pdf/auv\\_cop20\\_adaptationcommittee.pdf](http://unfccc.int/files/meetings/lima_dec_2014/decisions/application/pdf/auv_cop20_adaptationcommittee.pdf)

- (b) Requirements - Clarity of the requirements of the policy including impacts avoidance and management, mitigation and development benefits, meaningful consultations, free, prior and informed consent, grievance redress, and broader planning in the context of indigenous peoples;
- (c) Roles and responsibilities and implementation arrangements - The roles and responsibilities of GCF, the entities and other stakeholders, and suggestions to improve the policy's implementation including proposed arrangements;
- (d) Gaps - Identifying any other areas that may have been missed and proposing ways to fill these gaps including opportunities to enhance policy outcomes and drawing from the experiences in policy delivery from similar institutions;
- (e) Engagement - Identifying scope for further engagement of multi-stakeholders to continuously improve the proposed policy.

## II. Deadline

- 8. The deadline for submissions is **12 August 2017 at 23:59 Korean Standard Time.**

## III. Submission

- 9. Official submission of inputs on behalf of an organization or group of organizations in ***Microsoft Word format*** should be sent via email as one document with the subject line "**Call for public inputs – Indigenous Peoples Policy – Response**" to:

[ippolicyinputs@gcfund.org](mailto:ippolicyinputs@gcfund.org)

**The official submission should clearly indicate:**

Full Name

Title/Position

Organization/Affiliation

Contact details including telephone and e-mail address

Organization's Focal Point (name, surname and position).

- 10. Submissions should indicate whether the inputs are provided on behalf of an organization or a group of organizations. In the case where the inputs are provided on behalf of an organization, the list of organizations should be included in the official submission of inputs.

## IV. Disclaimer

- 11. Inputs provided may be publicly disclosed, made available on the GCF's website, and/or incorporated in whole or in part in a document presented to the Board.

## Annex I

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# Indigenous Peoples Policy

## **I. Introduction and rationale**

1. Indigenous peoples are unique and a distinct stakeholder of the Green Climate Fund (GCF) with rights affirmed by international human rights instruments, particularly, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). While indigenous peoples have invaluable and critical contributions to climate change mitigation and adaptation, they are also facing serious threats to the protection of their rights from climate change actions.

2. The obligation to engage indigenous peoples in climate change policies and actions has been explicitly recognized in the Cancun Agreement. The need to respect the rights of indigenous peoples is reiterated in the preamble of the Paris Agreement. The Paris Agreement acknowledges the positive contribution of indigenous peoples' traditional knowledge systems in achieving its goals and recognizes the need to strengthen practices and efforts of local communities and indigenous peoples related to addressing and responding to climate change. The United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties has recognised that a key obstacle to realizing this role is lack of indigenous peoples-specific projects and international funding for these projects and invited the GCF to "to enhance their consideration of local, indigenous and traditional knowledge and practices and their integration into adaptation planning and practices, as well as procedures for monitoring, evaluation and reporting."

3. This GCF Indigenous Peoples policy (referred to in this document as "the policy") recognizes that indigenous peoples have identities and aspirations that are distinct from mainstream groups in national societies and often are disadvantaged by traditional models of mitigation, adaptation and development. In many instances, they are among the most economically marginalized and vulnerable segments of the population. The economic, social, and legal status of indigenous peoples frequently limit their capacity to defend their rights to, and interests in, land, territories and natural and cultural resources, and may restrict their ability to participate in and benefit from projects. In many cases, they do not receive equitable access to project benefits, or benefits are not devised or delivered in a form that is culturally appropriate, and they may not always be adequately consulted about the design or implementation of projects that would profoundly affect their lives or communities.

4. The GCF is adopting this policy to assist in incorporating considerations related to indigenous peoples into its decision-making while working towards the goals of climate change mitigation and adaptation. The policy allows the GCF to examine, control, eliminate and reduce the adverse impacts of its activities on Indigenous Peoples in a consistent way and to improve outcomes over time. These elements of the policy will be integrated with other business processes and governance frameworks, particularly the ESMS, and will be utilized across the organization of the GCF. The policy will be an evolving policy that will continue to mature as the GCF's operations develop.

## **II. Policy objectives**

5. The overall objective of this policy is to provide a structure for ensuring that activities of the GCF are developed and implemented in such a way that fosters full respect for indigenous peoples' and their members' dignity, human rights, and cultural uniqueness so that they (a) receive culturally appropriate social and economic benefits; and (b) do not suffer adverse effects during the development process.

6. The specific objectives of this policy are as follows:

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- (a) To support and promote the positive contributions of indigenous peoples based on traditional knowledge systems, livelihoods, sustainable resource management systems and practices to climate change mitigation and adaptation in a manner that is accessible, culturally appropriate and inclusive;
- (b) To enable the critical role of indigenous peoples in assisting the GCF to ensure more effective, sustainable and equitable climate change results, outcomes and impacts;
- (c) To provide a framework for GCF to anticipate and avoid adverse impacts of its activities on indigenous peoples' rights, interests and well-being and when avoidance is not possible, to minimize, mitigate and/or compensate appropriately and equitably for such impacts;
- (d) To enable and ensure the full respect for the rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of indigenous peoples in the whole spectrum of activities and initiatives of the GCF, in full alignment with applicable international obligations and standards such as International Labour Organization (ILO) Convention 169 and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP);
- (e) To recognize and respect in all GCF-financed activities, the indigenous peoples' rights to collectively own, use, develop and control the lands, territories and resources that they possess by reason of traditional ownership or other traditional occupation or use, as well as those which they have otherwise acquired;
- (f) To recognize, respect and protect the culture, knowledge, and practices of indigenous peoples, and to provide them with an opportunity to adapt to changing conditions in a manner and in a timeframe acceptable to them;
- (g) To recognize, respect and protect their cultural and spiritual heritage and values, traditional knowledge, resource management systems and practices, occupations and livelihoods, customary institutions and overall wellbeing;
- (h) To recognize and effectively apply the principle of free, prior and informed consent, in accordance with relevant international laws and standards, and international best practice principles; and
- (i) To establish and maintain a continuing engagement based on fully informed consultation and effective participation of the indigenous peoples – including indigenous women and youth - affected by GCF-financed activities throughout the implementation of the activities.

### **III. Scope of application**

7. This policy will apply to all prospective and approved GCF-financed activities and to both public and private sector entities. The activities supported by the GCF include programmes, projects, and subprojects and the financial instruments may vary and may include grants, concessional loans, guarantees and equity investments.

8. This policy will apply to indigenous peoples as characterized in the following paragraphs.

9. In this policy, the term "indigenous peoples" is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:

- (a) Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others;

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- (b) Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas;
  - (c) Customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture; and
  - (d) A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.
10. The GCF will look for guidance from the many commonly accepted and applied definitions of indigenous peoples, respecting self-identification as indigenous or tribal as a fundamental criterion for determining the application of this policy. At a minimum, this policy will apply to indigenous peoples as characterized in Article 1 of ILO Convention 169. Further to this, the GCF will assess the presence of several characteristics, drawing on the working definition used by the United Nations.
11. In some countries, such groups are referred to as 'indigenous peoples.' In other countries they may be referred to by other terms, such as "sub-Saharan African historically underserved traditional local communities", "indigenous ethnic minorities", "aboriginals", "hill tribes", "vulnerable and marginalized groups", "minority nationalities", "scheduled tribes", "first nations", or "tribal groups." Regardless of which terminology is used, the requirements of this policy will apply to all such groups.
12. This policy applies whenever indigenous peoples are present in, or have a collective attachment to areas where GCF-financed activities will be implemented, as determined by the environmental and social assessment.
13. This policy applies regardless of whether indigenous peoples are affected positively or negatively, and regardless of the significance of any such impacts.
14. This policy applies regardless of the absence of legal recognition of indigenous peoples by the state.
15. This policy also applies irrespective of the presence or absence of discernible economic, political or social vulnerabilities, although the nature and extent of vulnerability will be a key variable in designing plans to promote equitable access to benefits or to mitigate adverse impacts.

## IV. Guiding principles

16. The guiding and underlying principles of the existing and proposed policies of the GCF will apply mutatis mutandis, to this policy.
17. In addition, the guiding principles for this policy will also include:
- (a) Developing and implementing free, prior and informed consent. The GCF will ensure the effective application of free, prior and informed consent for projects that may affect indigenous peoples' traditional ownership and users' rights on lands, territories, resources, livelihoods and cultures. The free, prior and informed consent shall be an iterative process, requiring indigenous peoples' consent before any GCF-financed activity is undertaken, on the basis of their own independent deliberations and collective decision-making process, customs values and norms, based on adequate information to be provided in a manner that is understood by them and a process of transparent and inclusive consultations, including with women and youth, and free of coercion or intimidation;

- (b) Enhancing the rights of indigenous peoples to their lands, territories and resources. All GCF activities shall fully respect indigenous peoples' rights to land, territories and resources, including their cultural and spiritual heritage and values, traditional knowledge, resource management systems and practices, occupations and livelihoods, customary institutions and overall wellbeing;
- (c) Recognizing and implementing relevant international human rights standards. All GCF activities shall respect the rights and responsibilities set forth in the (UNDRIP), and other applicable international instruments relating to the human rights of indigenous peoples, including ILO Convention No. 169, the International Covenant on Economic, Social and Cultural Rights and the International Convention on the Elimination of All Forms of Racial Discrimination (CERD);
- (d) Respecting the right of indigenous peoples under voluntary isolation. The GCF shall respect the right of indigenous peoples under voluntary isolation to remain isolated and to live freely according to their culture. Activities that may affect these peoples, their lands and territories, or their way of life, will 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 activity;
- (e) Respecting and recognizing traditional knowledge and livelihood systems. The GCF recognizes and respects indigenous peoples' cultural heritage as well as traditional knowledge held by indigenous peoples and the indigenous ways of ownership and knowledge transmission, and shall promote the participation and leadership of traditional knowledge holders in GCF activities;
- (f) Enhancing the capacity for indigenous peoples issues within the GCF. The GCF shall develop its advisory and decision-making capacities to understand and properly address indigenous peoples' issues and rights, including Board members and Secretariat management and staff; and
- (g) Facilitating direct access to GCF resources for indigenous peoples. The GCF shall provide appropriate access to grant financing for indigenous peoples, tailored to their requirements and needs and priorities, to support their initiatives and efforts for climate change mitigation and adaptation projects and programs.

## **V. Requirements**

### **5.1 General**

18. A key purpose of this policy is to ensure that indigenous peoples present in, or with collective attachment to, the areas where the GCF-financed activities are implemented (or activities proposed for GCF-financing will be implemented) are fully informed and consulted about, and have opportunities to actively participate in, project design and the determination of project implementation arrangements. The scope and scale of consultations, as well as subsequent project planning and documentation processes, will be proportionate to the scope and scale of potential risks and impacts as they may affect indigenous peoples.

19. The accredited entities will assess the nature and degree of the expected direct and indirect economic, social, cultural (including cultural heritage), and environmental impacts on indigenous peoples who are present in, or have a collective attachment to, the project area. The accredited entities will prepare a consultation strategy and identify the means by which affected indigenous peoples will participate in the design and implementation of GCF-financed activities.



20. The accredited entities proposed measures and actions will be developed in consultation with the affected indigenous peoples and contained in a time-bound plan that is culturally sensitive. Where there are potential impacts on indigenous peoples, entities shall prepare an Indigenous Peoples Plan (IPP) or, if specific activities or locations have not yet been determined an Indigenous Peoples Planning Framework (IPPF). The scope and scale of the IPP or IPPF will be proportionate to the potential risks and impacts of the project. The IPPF will include a description of the processes to meet the requirements of this policy and the interim ESS standards of the GCF including provisions for the development and implementation of site-specific IPP. The IPPF and IPP will complement the social assessments of the project and programmes proposed for GCF financing and provide guidance on specific issues related to addressing the needs of the affected indigenous peoples. The format and title of the IPP or IPPF will be adjusted as appropriate to the project or country context and will reflect any alternative terminology for the indigenous peoples.

21. An IPP should include the following elements:

- (a) Baseline information (from independent and participatory environmental and social risks and impacts assessment process);
- (b) Key findings and analysis of impacts, risks and opportunities;
- (c) Measures to avoid, minimize, and mitigate negative impacts and enhance positive impacts and opportunities
- (d) Community-based natural resource management;
- (e) Result of consultations (during environmental and social risks and impacts assessment process) and future engagement plans;
- (f) Grievance redress mechanism;
- (g) Costs, budget, timetable, organizational responsibilities; and
- (h) Monitoring, evaluation and reporting.

22. If the accredited entities are acting in an intermediary function, the accredited entities will also require the executing entity to fulfil the requirements described in this policy and will conduct the necessary due diligence and oversight to ensure that these requirements are fulfilled.

### **5.1.1 Projects designed solely to benefit indigenous peoples**

23. Where GCF-financed activities are designed to provide benefits only to indigenous peoples, the accredited entities will proactively engage with the relevant indigenous peoples to ensure their ownership and participation in the design, implementation, monitoring and evaluation of GCF-financed activities. The accredited entities will consult with the indigenous peoples as to the cultural appropriateness of proposed services or facilities and will seek to identify and address any economic, social or capacity constraints (including those relating to gender) that may limit opportunities to benefit from, or participate in, the project.

24. When indigenous peoples are the sole or constitute the overwhelming majority of, the beneficiaries of GCF-financed activities, the elements of the IPP may be included in the overall design and the environmental and social management plans in relation to environmental and social due diligence of the GCF-financed activities. The preparation of a stand-alone IPP or IPPF will not be necessary.

### **5.1.2 Projects where indigenous peoples are not the sole beneficiaries**

25. When indigenous peoples are not the only beneficiaries of the activities proposed for GCF financing, the planning requirements will vary with circumstances. The accredited entities will design and implement the GCF-financed activities in a manner that provides affected indigenous peoples with equitable access to project benefits. The concerns or preferences of indigenous peoples will be addressed through meaningful consultation and design, and documentation will summarize the consultation results and describe how indigenous peoples' issues have been addressed in the design of the GCF-financed activities. Arrangements for on-going consultations during implementation and monitoring will also be described.

26. The accredited entities will prepare a time-bound plan, such as an IPP, setting out the measures or actions proposed. In some circumstances, a broader integrated community development plan will be prepared, addressing all beneficiaries of the GCF-financed activities and incorporating necessary information relating to the affected indigenous peoples. A community development plan may be appropriate in circumstances where other people, in addition to the indigenous peoples, will be affected by the risks and impacts of the GCF-financed activities; where more than one indigenous peoples group is to be included, or where the regional or national scope of a programmatic project incorporates other population groups.

### **5.1.3 Avoidance of adverse impacts**

27. Adverse impacts on indigenous peoples will be avoided where possible. Where alternatives have been explored, and adverse impacts are unavoidable, the accredited entities will minimize and/or compensate for these impacts in a culturally appropriate manner proportionate to the nature and scale of such impacts and the form and degree of vulnerability of the affected indigenous peoples. The appropriate mitigation measures to minimize impacts and for appropriate compensation shall be determined with the full and effective participation of affected indigenous peoples.

28. When situations arise in which GCF-financed activities may potentially affect remote groups with limited external contact, also known as peoples "in voluntary isolation", "isolated peoples" or "in initial contact", the accredited entities will take all appropriate measures to recognize, respect and protect their land and territories, environment, health and culture, as well as measures to avoid all undesired contact with them as a consequence of the GCF-financed activities. The aspects of the GCF-financed activities that would result in such undesired contact will not be processed further.

### **5.1.4 Mitigation and development benefits**

29. The accredited entities and the indigenous peoples will identify measures to mitigate environmental and social risks and impacts in alignment with the mitigation hierarchy as well as opportunities for culturally appropriate and sustainable development benefits. The scope of the environmental and social assessments and mitigation will include cultural impacts as well as physical impacts. Considerations relating to cultural impacts may include, for example, the language of instruction and curriculum content in education projects, or culturally sensitive or gender-sensitive procedures in projects such as health projects, and others. The accredited entities will ensure the timely delivery of agreed measures to indigenous peoples.

30. The determination, delivery, and distribution of compensation and shared benefits to indigenous peoples will take account of the institutions, rules and customs of these indigenous peoples as well as their level of interaction with mainstream society. Eligibility for compensation can either be individually or collectively-based or be a combination of both to be determined in consultation with affected indigenous peoples. Where compensation occurs on a collective basis, as far as practicable mechanisms that promote the effective distribution of compensation to all eligible members, or collective use of compensation in a manner that benefits all members of the group, will be defined and implemented in consultation with affected indigenous peoples.

31. Various factors including, but not limited to, the nature and context of the GCF-financed activities and the vulnerability of affected indigenous peoples will determine how affected indigenous peoples will benefit from the activities. Identified opportunities will aim to address the goals and preferences of the affected indigenous peoples, including improving their standard of living and livelihoods in a culturally appropriate manner, the role of women in the project and to foster the long-term sustainability of the natural resources on which they depend.

#### **5.1.5 Meaningful consultation tailored to indigenous peoples**

32. To promote the effective design of GCF-financed activities, to build local project support or ownership, and to reduce the risk of delays or controversies, the accredited entities will undertake an engagement process with indigenous peoples. This engagement process will include stakeholder analysis and engagement planning, the disclosure of information, and meaningful consultation, in a culturally appropriate and gender and inter-generationally inclusive manner.

33. For indigenous peoples the process of meaningful consultation will also:

- (a) Involve indigenous peoples' representative bodies and organizations (e.g., councils of elders or village councils, or chieftains) and, where appropriate, other community members including indigenous women and youth. For GCF-financed activities that have a regional or national scope, the meaningful consultation may be carried out with indigenous peoples organizations or legitimate representatives at the relevant national or regional levels. These organizations or representatives will be identified in the stakeholder engagement process described in the ESS standards and other relevant policies of GCF;
- (b) The engagement process will provide sufficient time for indigenous peoples' decision-making processes. Internal decision-making processes are generally but not always collective in nature. There may be internal dissent, and decisions may be challenged by some in the community. The consultation process should be sensitive to such dynamics and allow sufficient time for internal deliberations and decision-making processes to reach conclusions that are considered legitimate by the majority of the concerned participants;
- (c) Allow for indigenous peoples' effective participation in the design of GCF-financed activities or mitigation measures that could potentially affect them either positively or negatively; and
- (d) Take into account the interests of these segments in the community that are particularly affected especially women, youth, indigenous persons with disabilities and the elderly, while being cognizant of traditional cultural approaches that may exclude segments of the community from the decision-making process; and
- (e) Assess the capacity of the indigenous peoples to engage and consider effective communication and capacity building programs to enhance the effectiveness of the process with indigenous peoples.

34. The accredited entities and indigenous peoples should agree on appropriate engagement and consultation processes as early as possible, commensurate with the scale of impact and vulnerability of the communities. This should be done through framework documents or plans that identify representatives of indigenous peoples, the agreed consultation process and protocols, the reciprocal responsibilities of parties to the engagement process and agreed avenues of recourse in the event of impasses occurring. Where appropriate, it should also define what would constitute consent from indigenous peoples. The entity should document support for the agreed process from the indigenous peoples.

#### **5.1.6 Relationship with other GCF policies**

35. This policy supplements the interim environmental and social safeguard standard on indigenous peoples and its requirements and any other policies of the GCF.

36. If there is any inconsistency between this Policy and any applicable policy of the GCF, this Policy will prevail on the basis that it represents the policy governing a specific subject matter or *lex specialis*.

37. Projects developed prior to this policy coming into force will use best endeavours to meet the requirements of this policy.

## **5.2 Circumstances requiring free, prior and informed consent**

38. Free, prior and informed consent shall be an iterative process, requiring indigenous peoples' consent before any GCF-financed activities are undertaken, on the basis of their own independent deliberations and decision-making process, based on adequate information to be provided in a manner that is understood by them; and a process of transparent and inclusive consultations, including with women and youth, and free of coercion or intimidation.

39. Accredited entities will be expected to be able to:

- (a) Describe how the activities proposed for GCF financing will be consistent with UNDRIP, and particularly with regard to the free, prior and informed consent during project and programme design, implementation and expected outcomes related to the impacts affecting the communities of indigenous peoples;
- (b) Describe the involvement of indigenous peoples in the design and the implementation of the GCF-financed activities, and provide detailed outcomes of the consultation process of the indigenous peoples; and
- (c) Provide documented evidence of the mutually accepted process within the GCF-financed activities between the implementing entities and the affected communities and evidence of an agreement between the parties as the outcome of the negotiations.

40. Guidance on the application of the free, prior and informed consent will be developed and maintained in consultation with indigenous peoples as part of the operational guidelines of this policy.

#### **5.2.1 Impacts on lands and natural resources subject to traditional ownership or under customary use or occupation**

41. Where the activities proposed to be financed by the GCF have potential or likely impacts on lands and natural resources subject to traditional ownership or under customary use or occupation, the accredited entities, working with the countries, will prepare a plan to ensure the legal recognition of

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such ownership, occupation, or usage, with due respect to the customs, traditions and land tenure systems of the indigenous peoples. The objective of such plans will be the following: (a) full legal recognition of existing customary land tenure systems of indigenous peoples; or (b) conversion of customary usage rights to communal and/or individual ownership rights. If neither option is possible under national law, the plan includes measures for the legal recognition of indigenous peoples' perpetual or long-term renewable custodial or use rights.

42. Where the activities proposed to be financed by the GCF are located on, or commercially develop natural resources, on land traditionally owned by, or under the customary use or occupation of, indigenous peoples and adverse impacts, including loss of access to assets or resources or restrictions on land use can be expected, the entity will take the following steps and obtain their free, prior and informed consent and prepare indigenous peoples engagement plan and/or IPP:

- (a) Document efforts to avoid and otherwise minimize the area of land proposed for the activities;
- (b) Document efforts to avoid and otherwise minimize impacts on natural resources subject to traditional ownership or customary use or occupation;
- (c) Identify and review all property interests, tenurial arrangements, and traditional resource usage prior to purchasing, leasing or, as a last resort, undertaking land acquisition;
- (d) Assess and document indigenous peoples' resource use without prejudicing any indigenous peoples' land claim. The assessment of land and natural resource use will be gender inclusive and specifically consider women's role in the management and use of these resources;
- (e) Ensure that affected indigenous peoples are informed of: (i) their land rights under national law, including any national law recognizing customary use rights; (ii) the scope and nature of the activities proposed for GCF-financing; and (iii) the potential impacts of the activities proposed for GCF-financing; and
- (f) Where the activities promote commercial development of their land or natural resources, afford due process, and offer compensation together with culturally appropriate sustainable development opportunities to indigenous peoples, at least equivalent to that to which any landowner with full legal title to the land would be entitled, including:
  - (i) Providing fair lease arrangements or, where land acquisition is necessary, providing land-based compensation or compensation in kind in lieu of cash compensation where feasible;
  - (ii) Ensuring continued access to natural resources, identifying the equivalent replacement resources, or, as the last option, providing compensation and identifying alternative livelihoods if project development results in the loss of access to and the loss of natural resources independent of project land acquisition;
  - (iii) Enabling indigenous peoples to share equitably in the benefits to be derived from the commercial development of the land or natural resources where the entity intends to utilize land or natural resources that are central to the identity and livelihood of affected indigenous peoples, and the usage thereof exacerbates livelihood risk; and
  - (iv) Providing affected indigenous peoples with access, usage, and transit on land the GCF-financed activities are developing subject to overriding health, safety, and security considerations.

43. For the purposes of where any reference to free, prior and informed consent in the GCF (e.g. Board decisions, policies, GCF interim ESS standards) the free, prior and informed consent has the meaning described in this policy.

### **5.2.2 Relocation of indigenous peoples from lands and natural resources subject to traditional ownership or under customary use or occupation**

44. The GCF will; not finance activities that would result in the involuntary resettlement of indigenous peoples. The GCF will avoid funding activities that may involve physical displacement (i.e. relocation or loss of shelter), whether full or partial and permanent or temporary, or economic and occupational displacement (i.e. loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of the activities.

45. In exceptional circumstances where resettlement or displacement is necessary, they will only be permitted if they meet the following criteria: (a) free, prior and informed consent has been obtained as described above; (b) authorized by national law; (c) carried out in a manner consistent with international human rights law; (d) undertaken solely for the purpose of promoting the general welfare; (e) reasonable and proportional; and (f) follow standards of due process consistent with the GCF ESS standards and are regulated so as to ensure full and fair compensation and rehabilitation as well as right of return, if applicable.

46. The accredited entities will consider, disclose and present for stakeholder consultation feasible project design alternatives and livelihood restoration measures that may be distinct from the components of the GCF-financed activities designed to avoid the relocation of indigenous peoples from communally held or attached land and natural resources subject to traditional ownership or customary use or occupation.

### **5.2.3 Cultural heritage**

47. Where the activities proposed for GCF financing may potentially impact cultural heritage, which includes natural areas with cultural and/or spiritual value such as sacred groves, sacred bodies of water and waterways, sacred mountains, sacred trees, sacred rocks, burial grounds and sites, that is material to the identity and/ or cultural, ceremonial, or spiritual aspects of the affected indigenous peoples' lives, priority will be given to the avoidance of such impacts. Where impacts are unavoidable, the accredited entities will obtain the free, prior and informed consent of affected indigenous peoples.

48. Where the activities proposed for GCF financing propose to use the cultural heritage of indigenous peoples for commercial purposes, the accredited entities will inform the affected indigenous peoples of (a) their rights under national law; (b) the scope and nature of the proposed commercial development; and (c) the potential consequences of such development; and obtain their free, prior and informed consent. The accredited entities will ensure that the indigenous peoples have an equitable share of benefits derived from the commercial development of such cultural heritage, consistent with the customs and traditions of the indigenous peoples.

## **5.3 Grievance redress mechanism**

49. Any issue raised in this policy shall be deemed as relevant and thereby considered appropriate for the various grievance mechanisms operating as part of the GCF.

50. All GCF-financed activities 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. The mechanism will be designed in consultation with the affected or potentially affected communities of indigenous peoples. The mechanism will incorporate the criteria outlined in the United Nations Guiding Principles on Business and Human Rights. The mechanism will facilitate the resolution of grievances promptly through an accessible, fair, transparent and constructive process. It will also be culturally appropriate and readily accessible, at no cost to the public, and without retribution to the individuals, groups or communities that raised the issue or concern. The mechanism will not impede the access to judicial or administrative remedies that may be available through the country systems, acknowledging that these localized systems provide more robust information and better reflect the context of the issues on the ground.

51. The scope, scale and type of grievance redress mechanism required for the project- and programme-level will be proportionate to the nature and scale of the potential risks and impacts of the project. The grievance mechanism may include the following:

- (a) Different ways in which indigenous peoples can submit their grievances, which may include submissions in person, by phone, text message, mail, email or via a website and taking into account language barriers/limitations;
- (b) Provision for interpretation/translation to overcome language barriers/limitations;
- (c) A log where grievances are registered in writing and maintained as a database;
- (d) Publicly advertised procedures, identifying the means for submitting grievances, setting out the length of time users can expect to wait for acknowledgment, response and resolution of their grievances, description of the transparency of the procedures and the governing and decision-making structures; and
- (e) An appeals process (including the national judicial mechanisms) to which unsatisfied grievances may be referred when the resolution of grievance has not been achieved.

52. The project or programme may provide mediation as an option where users are not satisfied with the proposed resolution.

53. This mechanism shall consider customary laws, dispute resolution mechanisms, and justice systems of indigenous peoples as appropriate, ideally utilizing independent indigenous experts. The mechanism will not preclude the option to use the accountability mechanisms of the GCF and those of the accredited and entities, ensuring that users are provided with the necessary financial and technical support to access such mechanisms.

54. The GCF Independent Redress Mechanism and the Secretariat's Indigenous Peoples' focal point shall be available for assistance to all users.

55. In the event of complaints being filed with the independent Redress Mechanism, the accredited entities will cooperate with the independent Redress Mechanism, provide all required information and explanations requested by the mechanism and will promptly implement remedial measures stipulated by the Board on the recommendation of the mechanism pursuant to its guidelines and procedures.

## **5.4 Indigenous peoples and broader planning**

56. The accredited entities may include technical or financial support as part of the GCF-financed activities for the preparation of plans, strategies or other activities intended to strengthen consideration

and participation of indigenous peoples in the climate change actions. This may include a variety of initiatives designed, for example, to (a) strengthen local legislation to establish recognition of customary or traditional land tenure arrangements; (b) address the gender and intergenerational issues that exist among indigenous peoples; (c) protect indigenous knowledge including intellectual property rights; (d) strengthen the capacity of indigenous peoples to participate in development planning or programs; and (e) strengthen the capacity of government agencies providing services to indigenous peoples.

57. Indigenous peoples may themselves seek support for various initiatives, and these should be taken into consideration by the GCF. They include: (a) support for the development priorities of indigenous peoples through programs, (such as community-driven development programs and locally managed social funds) developed by governments in cooperation with indigenous peoples; (b) preparation of participatory profiles of indigenous peoples to document their culture, demographic structure, gender and intergenerational relations and social organization, institutions, production systems, religious beliefs, and resource use patterns; (c) facilitating partnerships among the government, indigenous peoples organizations, civil society organizations, and the private sector to promote the climate resiliency of indigenous peoples' communities.

## **VI. Implementation arrangements**

### **6.1 Overview of arrangements**

58. This policy supports the existing policies and practices of the GCF particularly those related to the management of environmental and social risks and impacts including the application of the ESS standards. The implementation of this policy will take into consideration the roles and responsibilities for the GCF, the Secretariat, countries, accredited entities and independent accountability units and apply *mutatis mutandis* to this policy.

59. The Board will oversee the implementation of this policy and will review the implementation of this policy every five (5) years from the date of its effectivity. The Board will regularly monitor its implementation through the review of periodic implementation reports from the Secretariat that takes into account the information received from the accredited entities and the independent accountability units.

60. The GCF Secretariat and accredited entities shall undertake a periodic assessment of the implementation of this policy, which will require the collection of baseline data, and to (a) determine how the GCF can improve its response to the needs of indigenous peoples; (b) identify the drivers of change in order to achieve adaptation or mitigation goals; (c) identify and design the specific and culturally-appropriate elements to be included in the GCF policies and GCF-financed activities; (d) estimate the resources necessary for the implementation of the policy; (e) select specific output, outcome and impact indicators for indigenous peoples; and (f) design and establish implementation and monitoring arrangements that promote and develop effective participation of indigenous peoples within GCF-financed activities.

61. A senior indigenous peoples specialist will be appointed in the Secretariat with operational responsibility to manage the implementation of this policy.

62. An Indigenous Peoples Advisory Group will be established to enhance coordination between GCF, accredited entities, countries and indigenous peoples. The key functions of the Group shall be: to provide advice to the Secretariat through the Indigenous Peoples Focal Point, national designated



authorities, and accredited entities, in case of GCF-financed activities affecting indigenous peoples; to review the implementation and monitoring of this policy, particularly, on the appropriate modality to enhance dialogue among indigenous peoples, GCF, countries, accredited entities and other experts; and provide guidance and advice to the Board as may be requested.

63. The Indigenous Peoples Advisory Group will be made up of four indigenous peoples representatives from the four regions of developing countries namely Africa, Asia, Latin America and the Caribbean, and the Pacific. The selected representatives shall be from GCF observer organizations that are indigenous peoples organisations and who have actively engaged with the GCF and other climate funds. The Advisory Group members shall be selected through an indigenous peoples-led, self-selection process for each region; and should be gender-balanced. There will also be one representative from the United Nations Mechanisms for Indigenous Peoples such as the United Nations Special Rapporteur on the Rights of Indigenous peoples (UNSRIP), the Expert Mechanism on the Rights of indigenous Peoples (EMRIP), or the United Nations Permanent Forum on Indigenous Issues (UNPFII) to serve on a rotational basis. The Indigenous Peoples Advisory Group will inform the GCF Secretariat of the members of the Group and the term or length of their membership.

## 6.2 Operational guidelines

64. The operational guidelines containing technical and administrative references and tools for implementing this policy shall be developed and maintained by the GCF and in consultation with the Indigenous Peoples Advisory Group and with indigenous peoples.

## 6.3 Information disclosure

65. This policy shall apply mutatis mutandis to the Information Disclosure policy of the GCF.

66. The accredited entities shall ensure that all disclosed information will be provided in a culturally and socially appropriate manner, including in relevant indigenous languages, to indigenous peoples and their legitimate advisors and shall also ensure that indigenous peoples have sufficient time and resources to review and consider the disclosed information.

## 6.4 Stakeholder engagement

67. This policy shall apply to any process and guidance developed by the GCF to assist the accredited entities in putting in place a process for meaningful consultation with communities and people that are affected by GCF-financed activities or potentially affected by activities proposed for GCF financing.

## 6.5 Accountability

68. Through the accreditation process and taking into account the fit-for-purpose accreditation approach as outlined in Decision B.08/02, entities will be required to meet this policy. They will also be required to have policies, procedures and competencies in place with which to implement this policy. After accreditation, and at the activity level, the accredited entities will be responsible for implementing this policy as it relates to the GCF-financed activities through in-country project identification and implementation, as well as for results reporting.

69. The GCF Secretariat is accountable for the results of this policy. This will be reflected in the administrative policies and procedures, including human resource management and the procurement of contractors of GCF.

## 6.6 Country ownership

70. This policy supplements the best practices for country coordination and multi-stakeholder engagement processes for developing national strategic frameworks and funding proposals outlined in decision B.08/10, annex XIV and shall apply mutatis mutandis to these and any future engagement processes of the GCF.

71. Specifically, this policy informs national designated authorities and focal points that any consultative process through which national climate change priorities and strategies are defined must also consider relevant national and international policies and laws for indigenous peoples. Furthermore, the criteria and options for country coordination through consultative processes should include indigenous peoples in an appropriate manner.

72. The requirements of this policy form part of the relevant ESS standards that accredited entities and countries need to take into account when developing proposals, as well as on-going monitoring and evaluation after approval.

## 6.7 Gender policy and action plan

73. The GCF Gender policy and action plan shall apply mutatis mutandis to this policy.

## 6.8 Reducing emissions from deforestation and forest degradation (REDD+) actions

74. This policy shall apply to GCF-financed activities supporting the REDD+ actions including results-based payments and to any access and financing modalities, guidance, terms of reference and assessment tools developed by the GCF with respect to REDD+ actions. Consequently, any REDD+ activities proposed for GCF financing including results-based payments shall ensure that the requirements of this policy in conjunction with other relevant policies and standards of the GCF are addressed emphasizing that references to stakeholders include indigenous people as defined in this policy.

## 6.9 Competencies and capacity development

75. The GCF shall develop the capacity of its stakeholders including the Secretariat to understand and properly address indigenous peoples' issues and rights.

76. 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 or those with expertise in indigenous issues are included in the independent panels and advisory groups of the GCF.

77. Indigenous peoples training will be provided for the Secretariat in order to develop the awareness of indigenous peoples issues.

78. The GCF shall support specific capacity building programs for Indigenous Peoples to ensure their full and effective engagement with the GCF at all levels. This support shall include, at a minimum, activities related to consultation, advocacy, institutional building for project implementation and management, as well as the effective engagement of indigenous peoples in the formulation of project proposals and monitoring and evaluation.

79. The countries and accredited entities particularly the direct access entities may request readiness and preparatory support from the GCF to enhance their capacity to implement this policy.

## **6.10 Resource allocation and budgeting**

80. The GCF shall provide appropriate access to grant financing for indigenous peoples through requests for proposals, tailored to their requirements and needs and priorities, to support their initiatives and efforts for climate change mitigation, adaptation projects or readiness.

81. The GCF may target funds to support indigenous peoples climate change adaptation and mitigation initiatives if it is necessary to correct for climate change-exacerbated indigenous peoples inequality or they are not benefiting from GCF support adequately.

82. As the rationale for this policy is to promote indigenous peoples engagement, the project approval process may consider giving additional weight to projects with well-designed components to promote indigenous peoples elements.

## **6.11 Knowledge generation and communication**

83. The GCF commits to generating and sharing knowledge built on the experiences gained on indigenous peoples and climate change and from implementing this policy. The GCF will also commit to capitalize on the knowledge and expertise gained by other organizations. Such knowledge is to be used to strengthen the competencies and capacities of all stakeholders. This will be coherent and complementary to the implementation of the Paris Agreement, Para.135, specific to strengthening indigenous peoples and local communities knowledge systems integral to climate change adaptation and mitigation measures; and the implementation of the indigenous Peoples and local communities knowledge platform.

84. The GCF will document the experience and knowledge that will be acquired from the implementation of this policy and will seek to identify good practices from countries and accredited entities.

85. Communicating the commitment of GCF to indigenous peoples engagement, this policy, and its operational guidelines will inform a strategic communications activity and form an integral part of the communications plan of the GCF. It will be important to communicate to the public not only how the GCF is implementing this policy, but also to seek periodic feedback from stakeholders and partners on the implementation of this policy and on possible improvements.

## **VII. Effective date and review**

86. The policy will become effective upon its approval by the Board.

**DRAFT FOR CONSULTATION**

14 July 2017

87. The GCF will review and evaluate the overall performance of this policy based on the objectives of this policy. Appropriate amendments to this policy will be considered, based on the results of such review and evaluation and changes to the policy will follow the decision-making processes of the GCF.

88. A review of the policy will be undertaken five (5) years after the effective date to assess the effectiveness of the GCF in achieving the objectives of this policy. This review will be supplemented by annual and mid-term implementation reviews and reporting, which may lead to improvements in the policy, as required.

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