



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
28 - 30 June 2016  
Songdo, Incheon, Republic of Korea  
Provisional agenda item 12 (f)

**GCF/B.13/17**

17 June 2016

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# Interim Procedures for Redress: Reconsideration of Funding Decisions

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## **Summary**

This document presents draft interim procedures for the reconsideration of funding decisions taken by the Board.

## I. Introduction

1. Article 11, paragraph 3(b), of the United Nations Framework Convention on Climate Change provides that the Conference of the Parties and the entities entrusted with the operation of the financial mechanism shall agree upon arrangements which include, *inter alia*, modalities by which a particular funding decision may be reconsidered in light of the policies, programme priorities and eligibility criteria established by the Conference of the Parties.

2. The Governing Instrument for the Green Climate Fund mandates the Board to establish “an independent redress mechanism that will report to the Board”.<sup>1</sup> Pursuant to the Arrangements between the Conference of the Parties and the Green Climate,<sup>2</sup> the Conference of the Parties reaffirms that the Board of the Fund has full responsibility for funding decisions and recalls that the Fund is required to establish an independent redress mechanism.

3. Pursuant to Decision B.06/09, the Board decided that the independent redress mechanism (IRM) is:

*“a mechanism within the Fund that will:*

- (a) *Address the reconsideration of funding decisions in accordance with paragraphs 6 to 10 of the Arrangements between the Fund and the Conference of the Parties, and*
- (b) *Address the grievances and complaints by communities and people who have been directly affected by the adverse impacts through the failure of the project or programme funded by the Fund to implement the Fund’s operational policies and procedures, including environmental and social safeguards.”<sup>3</sup>*

4. Pursuant to Decision B.10/05, the Board adopted terms of reference for the Head of the IRM. Recruitment for the Head of the IRM is currently underway and such official is expected to be appointed prior to or at the thirteenth meeting of the Board.

5. The Board decided at its eleventh meeting that as part of its review of the funding proposal approval process, interim procedures for redress should be developed pending the recruitment of the head of the IRM.<sup>4</sup>

6. The Conference of the Parties, at its twenty-first session in Paris, similarly urged the Board of the Fund to “make public the procedures Parties and affected individuals should follow when seeking redress until the Independent Redress Mechanism is operationalized”.<sup>5</sup>

7. Accordingly, in the Work Plan for 2016 adopted by the Board at its twelfth meeting, the Board decided to address the interim procedures for redress at its thirteenth meeting. The adopted Work Plan also provides that the Board intends to approve the detailed guidelines and procedures for the IRM (Detailed Procedures) at its fifteenth meeting.<sup>6</sup> Such Detailed Procedures should address both functions of the IRM.

8. It is suggested that at this stage only interim procedures relating to the IRM’s first function (i.e. reconsideration of funding decisions) are adopted by the Board. With respect to

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<sup>1</sup> Governing Instrument, paragraph 69.

<sup>2</sup> Decision 5/CP.19, Annex, Arrangements between the Conference of the Parties and the Green Climate Fund,

<sup>3</sup> Decision B.06/09, GCF/B.06/19, Annex V, paragraph 2.

<sup>4</sup> Decision B.11/11, paragraph (j) (vii).

<sup>5</sup> Decision 7/CP.21, Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund, paragraph 20.

<sup>6</sup> Decision B.12/06. See also GCF/B.12/03/Rev.01, annex II.

the grievance function of the IRM, it may be more appropriate to instead develop the Detailed Procedures as soon as practicable. This because the specialized expertise within the Secretariat with respect to this function of the IRM will exist only after the appointment of the head of the IRM. In addition, given that the grievance function of the IRM cannot be engaged by communities and people until after they have been directly **affected** by relevant adverse impacts, there is no immediate need for interim procedures. (*Emphasis added.*)

## II. Interim Procedures

9. The proposed interim procedures relating to the reconsideration of funding decisions are contained in Annex II to this document. These interim procedures elaborate on the modalities for reconsideration of funding decisions set out in paragraphs 3 to 5 of the terms of reference of the IRM.<sup>7</sup>

10. It is further proposed that the Head of the IRM implement the interim procedures contained in Annex II to this document.

11. Pursuant to Decision B.06/09, the scope of the IRM also includes addressing grievances and complaints by communities and people who have been directly and adversely affected by the failure of the project or programme funded by the GCF to implement the GCF's operational policies and procedures, including environmental and social safeguards.<sup>8</sup> However, it is not proposed at this stage to develop interim procedures relating to this function of the IRM.

12. In the event that the Board considers that the Detailed Procedures may not be approved by the Board by the time that communities or people may be adversely impacted by a failure of the project or programme funded by the GCF to implement the GCF's operational policies and procedures, the Board may wish to consider requesting the Head of the IRM to develop interim procedures in relation to such grievances and complaints pending approval of the Detailed Procedures.

## III. Detailed Procedures

13. It is proposed that the Detailed Procedures, both in respect of the matters relating to the reconsideration of funding decisions and grievances or complaints filed by communities and people affected by projects/ programmes funded by the GCF, be developed by the head of the IRM and the staff of the IRM unit, in consultation with the Secretariat, relevant institutions (especially accredited entities and their similar or equivalent mechanisms) and other stakeholders to ensure that best practices are taken account of, and presented to the Board for approval no later than its sixteenth meeting.

## IV. Recommended Action by the Board

14. It is recommended that the Board adopt the decision contained in Annex I to this document.

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<sup>7</sup> See note 3 above.

<sup>8</sup> It is noted that many accredited entities are rejecting this function of the IRM.

## Annex I: Draft decision of the Board

The Board, having reviewed document GCF/B.13/17 titled “Interim Procedures for Redress: Reconsideration of Funding Decisions”:

- (a) Adopts the interim procedures for the reconsideration of funding decisions, as set out in Annex II to this document; and
- (b) Requests the head of the independent redress mechanism to prepare, with the support of the Secretariat, for consideration by the Board no later than its sixteenth meeting, the detailed guidelines and procedures for the independent redress mechanism referred to in paragraph 13 of Annex V (*Terms of reference of the independent redress mechanism*) of document GCF/B.06/19 titled “Report of the Sixth Meeting of the Board, 19-21 February 2014” in close consultation with similar or equivalent mechanisms of accredited entities and other stakeholders.

## Annex II: Draft interim procedures for the reconsideration of funding decisions

### I. Purpose and Scope

1. The purpose of this document is to establish interim procedures for dealing with requests of reconsideration of a funding decision<sup>1</sup> pursuant to which the Board has denied funding to a specific project or programme (Requests).
2. These interim procedures (Interim Procedures) set out the sole entitlement that Applicants have with respect to projects and programmes which have been denied funding by the Board, to the exclusion of any other right whatsoever.
3. These Interim Procedures shall apply until revoked by the Board.

### II. Interim Procedures

4. **Filing a Request:** Within thirty (30) calendar days from the date of communication by the Secretariat of the relevant Board decision denying funding to a specific project or programme, the National Designated Authority (NDA) or Focal Point (the Applicant) of the developing country concerned may file a Request, in English, with the Head of the IRM.
5. **Acknowledging receipt of the Request:** The Head of the IRM shall, within fourteen (14) days of receipt of a Request, acknowledge receipt of the Request.
6. **Eligibility of the Request:** The Head of the IRM shall assess the eligibility of the Request by reference to paragraph 3 of the terms of reference of the independent redress mechanism (IRM ToR).<sup>2</sup> If the Request is ineligible, the Head of the IRM shall notify the Applicant, and take no further action with respect to such Request.
7. **Addressing the Request:** If the Request is eligible, the Head of the IRM shall investigate the substance of the Request, and discuss it informally with the Applicant. If such an approach does not lead to a satisfactory and amicable resolution of the Request, then the Head of the IRM shall address the Request formally. In addressing the Request, the Head of the IRM shall consider, amongst others, any issues raised by the Applicant in the Request, the original funding proposal as submitted to the Board, including the assessments of the Secretariat and the independent Technical Advisory Panel, the decision of the Board and other relevant aspects of the Fund's operations.
8. **Determination of the Head of the IRM:** Following such considerations, the Head of the IRM shall determine, consistent with paragraph 4(c) of the IRM ToR, whether the Fund was inconsistent with its policies, programme priorities and eligibility criteria when denying funding to a specific project or programme.
9. **Report to the Board:** Promptly after (i) a determination by the Head of the IRM that a Request is ineligible pursuant to paragraph 6 above, (ii) a satisfactory and amicable resolution of a Request, or (iii) after the determination referred to in paragraph 8 above, the Head of the IRM shall prepare a report for the Board setting out a summary of the relevant Request, whether it was deemed eligible (and if not, why not), the steps taken to resolve the Request in a

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<sup>1</sup> For the purpose of these Interim Procedures, a "funding decision" means a decision by the Board with respect to a funding proposal for a specific project or programme as envisaged in decision B.07/03 and Annex VII (*Project and programme activity cycle*) of document GCF/B.07/12.

<sup>2</sup> Decision B.06/09, GCF/B.06/19, Annex V.

satisfactory and amicable manner and, if applicable, the determination of the Head of the IRM as to whether the Fund was inconsistent with its policies, programme priorities and eligibility criteria when denying funding to a specific project or programme. Such report shall also contain the recommendation of the Head of the IRM on possible further remedial actions.

10. **Consideration by the Board:** The Board may, at its next meeting following receipt of the report, consider the Request in view of the report and the recommendation of the Head of the IRM, and take such steps as it considers appropriate.

11. **Timeframe:** The Head of the IRM shall aim to conclude the steps set out in paragraphs 6 to 9 above within sixty (60) days of the date on which the acknowledgement of receipt referred to in paragraph 5 was sent to the Applicant.

### III. Implementation of the Interim Procedures

12. The Head of the IRM shall operationalize the above procedures in a manner that is consistent with international best practice and may, for this purpose, issue guidelines with respect to each of the steps set out above.

13. The Head of the IRM shall promptly notify the Board, via the Co-Chairs, each time a Request has been received, and shall keep the Board, via the Co-Chairs, regularly updated on how such Request is being addressed and the determinations made in connection with it.

### IV. Costs

14. The Head of the IRM shall submit a budget request to the Board as soon as possible and no later than its fifteenth session for the costs associated with the implementation of these Interim Procedures.

15. All expenses associated with preparing, drafting and filing requests for reconsideration, including the provision of any further information that may be required by the Head of the IRM and/or the Board, shall be borne by the Applicant.

### V. Review and amendment of these Interim Procedures

16. The Board may amend and/or revoke these Interim Procedures at any time. Amendments to the Interim Procedures shall only apply to Requests filed after the date of entry into force of such amendment. Termination or revocation of these Interim Procedures shall not affect Requests which remain under consideration as at the date of such termination or revocation.

### VI. Entry into force

17. These Interim Procedures shall enter into force on the date of their adoption by the Board.

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