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# Report on the activities of the Independent Redress Mechanism

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## **Summary**

This report provides an update on the progress made with regard to the activities of the Independent Redress Mechanism (IRM). The reporting period is from 1 February 2021 to 31 May 2021 with budget utilization until 30 April 2021. The document summarizes the activities of the IRM based on the work plan and budget of the IRM for 2021 adopted by the Board at its twenty-seventh meeting.

## I. Introduction

### 1.1 Background

1. The Independent Redress Mechanism (IRM) is mandated in paragraph 69 of the GCF's Governing Instrument. This paragraph states that "(t)he Board will establish an independent redress mechanism that will report to the Board. The mechanism will receive complaints related to the operation of the Fund and will evaluate and make recommendations." The IRM performs a key function within the GCF's accountability mechanisms. The IRM reports directly to the Board and is subject to the decisions of the Board. It is independent of the Secretariat of the GCF.

2. The report on the activities of the IRM provides an update on the progress made by the IRM. The report covers key priority initiatives identified in the work plan of the IRM for 2021 approved by the Board at its 27<sup>th</sup> meeting.<sup>1</sup> The reporting period is from 1 February 2021 to 31 May 2021 with the budget utilization until 30 April 2021.

3. The work plan of the IRM for 2021 identified the following overarching goals to help guide the work of the IRM:

- (a) Processing grievances and complaints (including those that are self-initiated), and requests for reconsideration of funding decisions; and
- (b) Operating the IRM.

## II. Processing complaints and reconsideration requests

### 2.1 Complaints and requests for reconsideration of funding decisions

4. The IRM processes (a) complaints from persons adversely affected by GCF funded projects or programmes, and (b) requests from developing countries for reconsideration of funding denied by the Board.

5. The IRM has not received any formal complaints or requests for reconsideration of funding proposals denied by the Board during the reporting period. The IRM has continued to problem solve the complaint received in relation to FP043, Morocco, and has continued to monitor the agreement reached with the Secretariat from the self-initiated inquiry into FP001, Peru, which are dealt with in turn below:

- (a) *FP043: The Saïss Water Conservation Project in Morocco:* As previously reported, the complaint centres around the insufficiency of the consultation conducted and the lack of information provided to the complainant(s) and others who are affected by this Project. Problem solving is ongoing, and the IRM has hired a local mediator and interpreter to support the case. Given the current ban on missions and meetings at the GCF, the IRM is facing considerable challenges in progressing the problem solving (mediation) at the heart of which is trust building among the various stakeholders. Despite these challenges, the IRM coordinated a joint meeting amongst the stakeholders in May 2021 which has helped to progress the matter.
- (b) *FP001: Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru:* As previously reported, the IRM continues to monitor the outcomes of its preliminary inquiry into FP001, Peru. Out of the four undertakings provided by the Secretariat, three have been completed - the issuance of guidance on Free Prior Informed Consent (FPIC)

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<sup>1</sup> Decision B.27/10.

requirements, and on risk categorization for projects involving Indigenous Peoples, and the completion of a legal assessment/opinion examining the potential impacts of the creation of the Áreas de Conservación Ambiental (ACA) on collective land rights of indigenous people who are part of the project. The AE has reiterated and assured both the IRM and the GCF Secretariat that it will take into account all of the requirements to document the FPIC process and carefully manage the establishment of the ACA in line with the recommendations of the legal opinion and the GCF guidance that has been issued. The IRM continues to monitor the fourth undertaking – which is for the GCF Secretariat to ensure that the consent documentation submitted by Profonampe for the establishment of the ACA is complete and compliant with the guidance. The GCF Secretariat's progress report from 31 December 2020<sup>2</sup> indicated that there had been no update regarding the establishment of the ACA due to the Covid-19 restrictions that have not allowed the project to organise participative processes and consultations. The Secretariat's next progress report is due on 30 June 2021.

6. The IRM also processed three pre-cases during the reporting period, one of which was subsequently closed, and two of which are ongoing. A pre-case is a communication from an external party to the IRM that is registered in the Case Management System as a pre-case and may or may not mature into a complaint.

7. The IRM has not received any requests from developing countries for reconsideration of funding proposals denied by the Board during the reporting period.

## IV. Operating the IRM

### 4.1. Progress on operating the IRM

8. **The implementation of the work plan and budget:** The terms of reference (TOR) of the IRM requires it to consult with the Ethics and Audit Committee (EAC) on the implementation of its work plan, as appropriate. As decided by the EAC, the IRM submits quarterly reports to the EAC regarding its work and the EAC provides valuable feedback. The IRM has presented the EAC with its first quarterly report but the EAC has not met or conducted business this year to enable feedback being received from it. In the circumstances, the Head of the IRM conducted one-on-one briefings with each individual member of the EAC to keep them abreast of the IRM's progress of work under the work plan.

9. **Administrative reporting to the Executive Director:** The TOR of the Head of the IRM provides that, for administrative purposes only, the Head of the IRM will report to the Executive Director (ED). This administrative reporting already happens practically through established systems for tracking and overseeing GCF-wide administrative and procedural requirements. However, some administrative actions are taken outside of these systems. Since April 2021, the IRM has accordingly started to submit a monthly update report to the ED to draw his attention to the reporting that already happens through established systems, and to highlight other actions taken outside of these systems. The IRM is also working with colleagues from the other Independent Units and the Secretariat to develop a Protocol between the Secretariat and Independent Units setting out general principles that will help facilitate and promote effective cooperation.

10. **Staffing:** The IRM is currently staffed with four full-time staff members, the Head of the IRM, the Compliance and Dispute Resolution Specialist, the Registrar and Case Officer, and the new Team Assistant, Ms. Sue Kyung Hwang (who joined during the reporting period on 1 April 2021). The IRM is also supported by an intern, Ms. Amanda Bierschenk, who joined during the

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<sup>2</sup> <https://irm.greenclimate.fund/sites/default/files/case/fp001-irm-progress-update-dec-2020.pdf>.

reporting period on 14 April 2021. The IRM's Registrar and Case Officer, Ms. Christine Reddell, who has been with the IRM for the past two and a half years, has resigned with effect from 31 July 2021, and the IRM is recruiting for her replacement. IRM staff underwent a training in conflict resolution in April 2021 conducted by Kevin Brown, the Ombudsperson of the GCF. Additionally, the Head IRM underwent a training for hiring managers conducted by the Human Resources division of the Secretariat.

11. **Consultancies and Professional Services:** During the reporting period, the IRM concluded procurement processes for two part-time, remote consultants, a high-level communications consultant and a social media consultant in accordance with the 2021 work plan and budget. These consultants will offer critical support in improving the IRM's communications efforts, including outreach to civil society organisations and community members who may be affected by GCF projects/programmes. The IRM also has translation consultancy contracts in place to assist with Spanish and Arabic translations in its Peru and Morocco cases, and has hired a local mediator and a French interpreter from its mediation and translator rosters respectively, to assist with the Morocco case. The IRM also hired Arabic interpreters and a translator from its roster to support its virtual outreach event for civil society representatives in the Middle East and North African (MENA) region. The IRM also finalised a Terms of Reference (TOR) for professional services required to execute the IRM's mandate to build the capacity of the Grievance Redress Mechanisms (GRMs) of GCF's Direct Access Entities (DAEs). This TOR was published by the Procurement Unit of the Secretariat at the end of May, with a request for proposals by 21 June 2021.

12. **Guidelines for Board consideration of IRM reports:** While adopting the Procedures and Guidelines (PGs) of the IRM at B.22 in February 2019 the Board requested that the Head of the IRM, in consultation with the EAC, consider options to facilitate the Board's consideration of reports from the IRM containing its findings and recommendations relating to requests for reconsideration and grievances or complaints. The IRM prepared the Guidelines in consultation with the Office of General Counsel and the draft was considered at several meetings of the EAC. The EAC approved the draft Guidelines and the Co-Chairs circulated the same to the Board and Active Observers for consultation and feedback. There were no comments or feedback from Board members at that stage. Feedback from Active Observers was incorporated. The revised draft of the Guidelines was thereafter considered again by the EAC and approved for presentation to the Board for adoption at the 27<sup>th</sup> meeting of the Board. While the draft Guidelines was on the agenda of B.27, it could not be considered by the Board for lack of time. The Co-Chairs decided to circulate the draft Guidelines for adoption as a between Board meetings decision. One objection having been received by a Board member with several suggestions for revision, the matter is now pending with the Co-Chairs.

13. **Supporting Operating Procedures (SOPs) for the IRM:** The IRM has now finalised the two outstanding SOPs on capacity building and the case management system. All 20 modules of the IRM's SOPs have now been issued and are in daily implementation, thus concluding the task of issuing SOPs. The IRM continuously considers whether improvements and adjustments are necessary, as these are living documents.

14. **Gender Strategy Note:** The IRM has been developing a Gender Strategy Note with a view to mainstreaming gender considerations and ensuring a gender-responsive approach in relation to each of its five functions. This Gender Strategy Note was published for public comment at the end of 2020, and the IRM has incorporate detailed feedback received from a group of civil society organisations. In May 2021, the IRM published its revised Gender Strategy Note on its website,<sup>3</sup> and has started implementing the strategies identified. The Gender Strategy Note is consistent with GCF's Gender Policy and seeks to give effect to that policy in the

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<sup>3</sup> Available at: <https://irm.greenclimate.fund/sites/default/files/document/irm-gender-strategy-note-may-2021-final.pdf>.

context of the IRM's mandate. It is a living document which will be developed and improved over time as strategies are implemented and experience is gained.

## 4.2. Communications strategy

15. As highlighted above, the IRM has recently contracted a High-Level Communications Consultant and a Social Media Consultant. One of the Communications Consultant's first tasks is to review and update the IRM's Communications Strategy. In the meantime, the IRM has continued to implement its existing strategy, and undertook the following activities during the reporting period:

- (a) **Civil Society Outreach:** On 3 April 2021 the IRM, together with the Arab Watch Coalition, hosted an online outreach workshop for civil society participants from four Middle East and North Africa (MENA) region countries, namely Morocco, Egypt, Tunisia and Jordan. The workshop was well attended with engaged participation. The workshop was simultaneously interpreted into Arabic, and resource materials were also translated into Arabic and shared with participants. For more about this event, see the IRM's blog post.<sup>4</sup>
- (b) **COP26 participation:** The IRM is planning to participate, for the first time, in the United Nations Climate Change Conference in November 2021 (COP26). The IRM is making arrangements for two side events, one to be hosted in partnership with the Strathclyde Centre for Environmental Law and Governance at the University of Strathclyde, and the other in partnership with the GCF's Independent Evaluation Unit and Independent Integrity Unit. There are still many uncertainties as to whether in-person participation will be feasible, but the IRM is preparing for both eventualities (in-person and virtual). The goal of both of these side events will be to raise awareness about the role and work of the IRM amongst relevant stakeholders participating in COP26, and how to access the IRM's services.
- (c) **Communications materials:** The IRM published its sixth issue of its newsletter "Redress Counts" in April.<sup>5</sup> This newsletter was widely distributed to all Board members, Advisors and stakeholders on the IRM's growing stakeholder database, which is regularly updated and maintained.
- (d) **Inreach:** The IRM has started planning for its next Dialogue and Learning Forum event, which will focus on the benefits of preventing and resolving disputes relating to GCF projects/programmes, and the roles of different stakeholders as part of that process.
- (e) **Increased transparency of project/programme information:** the IRM has been engaging with the GCF Secretariat to alert the Secretariat about the need for improved transparency of GCF project and programme related information. In particular, the IRM has provided detailed comments on the Draft Programmatic Approach Policy, calling for easier and earlier access to programme and subproject information. The IRM has also highlighted the need for consistency in the way that project (and particularly programmatic and subproject) information is displayed on the GCF and accredited entity websites and in other publications. Increased transparency is essential to enable potential complainants, beneficiaries and stakeholders to gain access to information so that they can exercise their rights under GCF policies. The IRM, together with other units

<sup>4</sup> Available at: <https://irm.greenclimate.fund/news/mena-region-participants-find-out-how-asha-submitted-complaint-irm>.

<sup>5</sup> Available at: <https://mailchi.mp/gcfund/newsletter-of-the-independent-redress-mechanism-of-the-gcf-spring-2021-4153189>.

within the Secretariat, is also establishing an informal working group to discuss issues concerning transparency and improving access to GCF information.

### 4.3. Providing advice

16. The IRM has started developing terms of reference for an advisory report concerning its mandate to entertain requests for reconsideration of funding proposals. Since the IRM's establishment it has received only one such request for reconsideration, which was subsequently withdrawn.

17. During the reporting period, the IRM has also provided feedback to the Secretariat on the Energy Generation & Access Sectoral Guide, the Ecosystems and Ecosystem Services Sectoral Guide, and the Forests and Land Use Sectoral Guide. In particular, the IRM has urged the Secretariat to ensure that all sector guides contain pertinent and relevant ESS guidance applicable to that sector. The IRM also commented on the Secretariat's Draft Programmatic Approach Policy, as mentioned above.

### 4.4. Capacity building of direct access entities' grievance mechanisms

18. As previously reported, the IRM formed the Grievance Redress and Accountability Mechanism (GRAM) partnership in 2019 together with other relevant organisations, to offer leadership, a learning and knowledge platform and a meeting space to an increasing number of GRAMs that are emerging in different spheres, particularly in DAEs. The GRAM partnership members met in January 2021 to plan the partnership's activities for 2021, which will include a series of webinars and good practice notes. The IRM hosted the first webinar in April 2021 after consulting with a small focus group of GRMs from DAEs to ensure that the webinar would be relevant to and meets their needs. The first webinar was on the topic of how to develop a "fit for purpose" GRM, and included speakers from the IRM, the Independent Accountability Mechanism of the German, French, and Dutch Development Banks, and Amfori, which is a business association with a grievance mechanism servicing all members. The IRM's other capacity building plans for 2021 include the upgrading of the IRM's online learning modules, capacity building workshops pitched at the introductory level, individualized support to DAEs, and advanced training materials on the topic of project/community mediation. For the purposes of the individualized support, the IRM has conducted a needs assessment by sending out a survey to all DAE/GRM contacts in March. After assessing the responses, the IRM has decided to offer the support to eight of the DAEs that responded with specific requests to review and/or develop appropriate GRM policies/mandates and procedures. A comprehensive TOR has been published in May 2021 for consultancy firms to bid to support the IRM in these capacity building activities.

19. As mentioned above, the IRM has been raising the issue of the GCF's and the IRM's visibility with various divisions within the GCF Secretariat, including the Division of External Affairs, the Office of Portfolio Management, and the Office of Risk Management and Compliance. In these discussions, the IRM has urged the GCF to improve its monitoring and enforcement of legal obligations in the contracts that AEs sign requiring them to publicize the existence of the IRM and their GRM to local stakeholders.

20. Additionally, according to the IRM's review of 87 signed accreditation master agreements (AMAs), 13 AEs (15%) were required to notify the IRM/GCF once they had either established or upgraded their GRMs. The IRM has received no such notifications and has raised this issue with both the Office of the General Counsel (OGC) and the Office of Portfolio Management (OPM). OGC has confirmed that there is no obligation on the IRM to follow up or to monitor compliance with this AMA clause, and that monitoring must be done by the Secretariat

(OPM). The IRM has raised this issue with OPM and is in conversations with the Secretariat on this matter.

#### 4.5. Independent Accountability Mechanisms Network (IAMnet)

21. The IRM has continued to be active within the IAMnet community and has engaged with IAMnet members on its community of practice plans for second generation practitioners. A large number of IAMnet members joined the first GRAM partnership webinar hosted by the IRM in April. Additionally, the Head of the IRM participated in a webinar to provide feedback on the Compliance Advisor Ombudsman's of the IFC (an Accredited Entity) draft new policy document and the staff of the IRM participated in a web meeting with the Inspection Panel of the World Bank to provide feedback and experiences regarding monitoring functions of redress mechanisms.

### V. Budget utilization for the reporting period

22. The utilization of the IRM's 2021 budget up until 30 April 2021 is shown below, along with an explanation for the percentage of spending.

#### Independent Redress Mechanism Unit Budget Utilization as of 30 April 2021 (in USD)

		2021 Approved Budget	Actual expenditure to 30 April 2021	Balance	% spent
<b>3.1</b>	<b>Staff, Consultants and Interns Costs</b>				
3.1.1	Full-time Staff	845,959	210,073	635,886	25%
3.1.2	Consultants & Interns	164,705	5,254	159,451	3%
	<b>Sub-total: Staff, Consultants and Interns</b>	<b>1,010,664</b>	<b>215,327</b>	<b>795,337</b>	<b>21%</b>
<b>3.2</b>	<b>Travel</b>				
3.2.1	General	40,864	-	40,864	0%
3.2.2	Travel associated with complaints/request	62,289	-	62,289	0%
	<b>Sub-total: Travel</b>	<b>103,153</b>	<b>-</b>	<b>103,153</b>	<b>0%</b>
<b>3.3</b>	<b>Contractual Services</b>				
3.3.1	Professional Services	119,119	22,680	96,439	19%
3.3.2	Operating costs	83,950	579	83,371	1%
	<b>Sub-total: Contractual Services</b>	<b>203,069</b>	<b>23,259</b>	<b>179,810</b>	<b>11%</b>
	<b>Total</b>	<b>1,316,886</b>	<b>238,586</b>	<b>1,078,300</b>	<b>18%</b>
	<b>Shared cost allocation</b>	<b>78,585</b>	<b>26,195</b>	<b>52,390</b>	<b>33%</b>
	<b>Grand total (1+2+3)</b>	<b>1,395,471</b>	<b>264,781*</b>	<b>1,130,690</b>	<b>19%*</b>

\* The expenses above do not include committed contracts signed for consultants and professional services, which amount to approximately USD 0.07 million. If incorporated, the actual expenditure and commitments as of April 2021 stand at 24 per cent.

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## Notes

Actual expenditure for the Independent Redress Mechanism during the reporting period totaled USD 264,781 against an approved 2021 total annual budget of USD 1,395,471 (19 per cent). However, the Board's attention is drawn to the fact that as stated in the 2021 Budget, 18 percent of the IRM's budget (i.e. US\$ 252,240) constitute contingent costs which would be incurred only if complaints or reconsiderations requests are received by the IRM and other demand driven costs arise. Most of the IRM's expenditure to date has been on non-contingent costs, with only a small amount paid to interpreters under the contingent costs budget.

The underspending in travel is due to continued GCF-wide prohibitions on mission travel as a result of the COVID-19 pandemic. Mission travel prohibitions have prevented the IRM from conducting necessary case-related travel for its ongoing complaint in Morocco, and conducting outreach and capacity building related travel (for which only a small provision was made, with the understanding that COVID-19 travel restrictions would remain in place for most of 2021). Provision was also made for two staff members to travel to a Board meeting outside of the Republic of Korea, and for two staff members to travel to the Annual Meeting of the Independent Accountability Mechanisms Network. At present, these events are all planned to happen remotely, given the ongoing COVID-19 pandemic.

More than half of the IRM's 2021 travel budget is part of its contingent budget, and also dependent on spending associated with complaints received and needing to travel to site to conduct problem solving and investigative work related to those complaints. A portion of spending on the consultancy and operating costs budget is also dependent on complaints received. Other than the ongoing processing of the IRM's Morocco complaint (received in 2020), the IRM has not received any complaints in 2021 so far, and this results in a showing of expected underspending in the contingent category.

The IRM has recently concluded a number of procurement requests for consultancy and professional services, which will increase the IRM's spending in the second quarter. These requests took longer to conceptualize and process than originally anticipated, but the IRM is nonetheless on track in terms of delivering on the work plan activities under these contracts.

Given the challenges associated with bringing new interns to Songdo at present as a result of COVID-19 and quarantine requirements in the Republic of Korea, the IRM has decided to only hire one intern for the time being (as opposed to two). The IRM is monitoring the COVID-19 situation and may decide to hire a second intern in the next quarter. These costs were also indicated in the contingent category in the 2021 budget.

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