



**GREEN
CLIMATE
FUND**

Meeting of the Board
17 – 20 July 2022
Incheon, Republic of Korea
Provisional agenda item 7

GCF/B.33/Inf.03

24 June 2022

Report on the activities of the Independent Redress Mechanism

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 22 April 2022 to 10 June 2022 with budget utilization until 31 May 2022. The document summarizes the activities of the IRM based on the work plan and budget of the IRM for 2022 adopted by the Board at its thirtieth 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 2022 approved by the Board at its 30th meeting.¹ The reporting period is from 22 April 2022 to 10 June 2022 with the budget utilisation until 31 May 2022.

3. The work plan of the IRM for 2022 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 received no new complaints during the reporting period. In relation to FP146, Nicaragua, based on the *prima facie* evidence identified in its compliance appraisal report, the IRM decided to commence a compliance investigation. With regard to the self-initiated inquiry into FP001, Peru, the IRM continued to monitor the agreement reached with the Secretariat. The two complaints dealt with during this reporting period are discussed in further detail below:

- (a) *FP146: Bio-CLIMA: Integrated climate action to reduce deforestation and strengthen resilience in BOSAWÁS and Rio San Juan Biospheres:* The complainant(s) of this case alleged that the project would harm indigenous and Afro-descendant communities as (a) there was no proper consultation with communities prior to the approval of the project, including no free, prior, and informed consent (FPIC); (b) the project will lead to environmental degradation and attacks by armed non-indigenous settlers; (c) the Accredited Entity's actions do not seem to comply with the GCF's policies, especially on participation and information disclosure; (d) the GCF Board conditions placed on the project, especially relating to the implementation of FPIC and to the selection of independent third party monitor(s), will not be defined and complied with effectively; and (e) the executing entity will not fulfil its obligations in the implementation of the Bio-CLIMA project. The complainant(s) requested and were granted confidentiality in

¹ Decision B.30/08

accordance with the IRM's Terms of Reference, Procedures and Guidelines, and as a result of its retaliation risk assessment. The IRM's compliance appraisal report² concluded there was *prima facie* evidence that the complainant(s) may be affected by adverse impacts through non-compliance of FP146 with GCF operational policies and procedures identified in that report. As a result, the IRM proceeded with the compliance investigation phase on 24 March 2022 and has been gathering further information through interviewing the parties to the complaint, including the staff of the GCF and the Accredited Entity and reviewing documentation. In parallel, the problem solving process has also resumed with a view to reaching a mutually satisfactory agreement by the parties. Two staff and two consultants of the IRM will travel to the project region immediately after the reporting period to better facilitate the two parallel processes.

- (b) *FP001: Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru:* 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) requirements, and on risk categorisation 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 Profonanpe for the establishment of the ACA is complete and compliant with the guidance. The IRM received a progress report from the GCF Secretariat on 30 June 2021 and 15 December 2021 indicating that there had been no update due to the Covid-19 restrictions that have not allowed the project to organise participative processes and consultations. The Secretariat has granted an extension of the project period through 2023, and the IRM and the GCF Secretariat have agreed that further progress reports will be submitted every six months until 2023.³ The next progress report is due on 30 June 2022, and the IRM will continue to monitor progress on the fourth undertaking.
- (c) The IRM also processed three pre-cases during the reporting period. Two pre-cases were closed and the third is ongoing. A pre-case is a communication from an external party to the IRM and information received by the IRM that is registered in the Case Management System as a pre-case and may or may not mature into a complaint. A summary of such pre-cases received by the IRM is updated quarterly and is available on the IRM website.⁴ The list available at the time of submission of this activity report was updated on 28 March 2022 and the next update will be made before July 2022.
6. The IRM has not received any requests from developing countries for reconsideration of funding proposals denied by the Board during the reporting period.

² Available at: <https://irm.greenclimate.fund/sites/default/files/case/compliance-appraisal-report-publication-c0006.pdf>

³ The third agreement on additional dates for progress reports is available at: <https://irm.greenclimate.fund/sites/default/files/case/irm-decision-additional-dates-progress-reports-c0002-peru-january-2022-english.pdf>

⁴ The history of the IRM's pre-cases is available at: <https://irm.greenclimate.fund/document/history-irm-pre-cases>

III. Operating the IRM

3.1 Progress on operating the IRM

7. **Adverse impacts on the IRM from the unavailability of the Ethics and Audit Committee (EAC):** 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 has provided valuable feedback in the past.
8. The IRM has presented the EAC with one quarterly report for 2022 and four quarterly reports for 2021 but the EAC has not met since October 2020 (a period of 20 months to May 2022) to enable feedback to be provided to the IRM on these reports. The unavailability of the EAC also significantly affected the development and presentation of its work plan and budget for 2022 to the Budget Committee and the Board. The Head IRM had to meet or provide detailed emails and documents to each individual member of the EAC in 2021 in order to obtain their individual feedback and agreement to the 2022 Work Plan and budget before presentation to the Board. Although these were personal expressions of support from EAC members, it did not constitute EAC approval as set out in the Board approved TOR of the IRM.
9. There have also been occasions when the Head IRM would have benefitted from guidance and advice from the EAC, but these opportunities had to be given up because the EAC was not meeting. The IRM expects to brief the EAC about the IRM's progress of work under the work plan and budget for 2022 and to receive their feedback as soon as the EAC meets and undertakes mandate related work.
10. The IRM and the IIU are constituted under Articles 68 and 69 of the Governing Instrument of the GCF. The IIU and the IRM are termed "Accountability Mechanisms" in the Governing Instrument. The EAC provides Board mandated liaison and oversight to the IIU and the IRM and as such performs a critical accountability function of the Fund. The unavailability of the EAC over the past 20 months has had a significant adverse impact on the IRM. We look forward to the EAC meeting soon and recommencing work on its mandate.
11. **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 fall outside of these systems. Since April 2021, the IRM has accordingly submitted monthly update reports to the ED to draw his attention to the reporting that already happens through established systems, and to highlight other actions that fall outside of these systems. In addition, the Independent Units and the Secretariat developed a draft Memorandum of Understanding between the Secretariat and Independent Units setting out general principles that will help facilitate and promote effective cooperation. The draft MOU was developed by a committee of Secretariat and IU staff over many months. This draft MOU, though not legally binding, has been referred by the ED to the Office of General Counsel for comment a few months ago, and is waiting to be finalised.
12. **Staffing:** The IRM is currently staffed with five full-time staff members: the Head of the IRM, the Compliance and Dispute Resolution Specialist, the Registrar and Case Officer, the Communications Associate and the Executive Assistant. The IRM is also supported by one intern.
13. **Consultancies and Professional Services:** The IRM has hired the Consensus Building Institute (CBI) to assist in the execution of the IRM's mandate to build the capacity of the Grievance Redress Mechanisms (GRMs) of the GCF's Direct Access Entities (DAEs) through one

global training and focused one-on-one support. In addition, the IRM has hired a mediator and subject experts to assist the IRM with its case on FP146, Nicaragua. The IRM is also in the process of hiring a translation and interpretation firm to ensure the quality and consistency of the translation and interpretation provided and to reduce the administrative burden of having to constantly hire translators and interpreters throughout the year. Additionally, the IRM is currently working with Procurement to contract five civil society organisations to support its outreach activities.

14. **Gender Strategy Note:** The IRM developed a Gender Strategy Note⁵ with a view to mainstreaming gender considerations and ensuring a gender-responsive approach in relation to each of its five functions. The IRM is currently seeking to hire external consultants to train the IRM's staff to act according to its gender strategies and on gender responsive approaches.

3.2 Communications strategy

15. The IRM has continued to implement its existing strategies and undertook the following activities during the reporting period:

- (a) **Outreach:** The IRM was invited to give a presentation at an event organised by German Watch and Jeunes Volontaires pour l'Environnement in the Africa region. The IRM was also represented at the 2022 Aranda Conference, a comprehensive international mediation conference featuring policymakers, diplomats, jurists, NGO leaders and top mediators, to deepen peacebuilding efforts around the world. In addition, the Head of the IRM gave a joint presentation with the Head of the IIU at the 22nd Conference of International Investigators to discuss the impact of social and environmental non-compliance.
- (b) **Communications materials:** The IRM website is now available in seven languages: English, French, Arabic, Portuguese, Russian, Spanish and Swahili. During the reporting period, the IRM published one news item⁶ and created an events page to feature external engagements. The IRM has also developed an internal branding and style guide, which will form the basis of the IRM staff's outward-facing communications.

3.3 Providing advice

16. During the reporting period, the IRM continued to engage with the Secretariat on the draft MOU between the Secretariat and the IUs and the draft floorplan for the new office, among others.

17. During the reporting period, the IRM has also provided feedback to the Secretariat and other Independent Units on numerous other issues.

3.4 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. On 21 June, the IRM will be supporting the organisation of the 6th GRAM Partnership webinar on the topic of "Informed Consultation and Participation (ICP) and Free, Prior, and Informed Consent of Indigenous Peoples (FPIC) and Broad Community Support," which will be hosted by the Independent

⁵ Available at: <https://irm.greenclimate.fund/document/irm-gender-strategy-note>

⁶ Available at: <https://irm.greenclimate.fund/news>

Consultation and Investigation Mechanism of the Inter-American Development Bank. The video recordings and the presentation slides of the past GRAM webinars are available on the IRM website.⁷

19. On 30 May, the IRM, with support from the Consensus Building Institute (CBI), launched the 2022 global capacity building training, to which 64 staff of the GRMs of DAEs have been registered. The training will take place throughout June. The IRM published the upgraded English version of its online learning modules, which will be translated into French and Spanish. It is also preparing to provide individualised support to GRMs of DAEs.

20. Additionally, according to the IRM's review of 98 signed accreditation master agreements (AMAs), 16 AEs (17%) 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 DPM. Under these AMA's the IRM exercises exclusive jurisdiction over all GCF projects and programmes with regard to these 16 AEs.

3.5 Independent Accountability Mechanisms Network (IAMnet)

21. The IRM remains active within the IAMnet community and has engaged with IAMnet members on its community of practice plans for second generation practitioners. The IRM staff have been participating in IAMnet working groups to jointly develop tools and practices to improve the efficiency of IAMs.

22. The utilisation of the IRM's 2022 budget up until 31 May 2022 is shown below, along with an explanation for the percentage of spending.

Independent Redress Mechanism Unit Budget Utilization as of 31 May 2022 (in USD)

		2022 approved budget	Actual expenditure to 31 May 2022	Balance	% spent
3.1	Staff, consultants and interns				
3.1.1	Full-time staff	1,095,945	360,066	735,879	33%
3.1.2	Consultants and interns	160,390	16,592	143,798	10%
	Subtotal: staff, consultants and interns	1,256,335	376,658	879,677	30%
3.2	Travel				
3.2.1	General	19,030	356	18,674	2%
3.2.2	Travel associated with complaints/requests	42,530		42,530	0%
	Subtotal: travel	61,560	356	61,204	1%
3.3	Contractual services				
3.3.1	Professional services	147,651	22,680	124,971	15%
3.3.2	Operating costs	29,900	2,117	27,783	7%
	Subtotal: contractual services	177,551	24,797	152,754	14%
	Total	1,495,446	401,811	1,093,635	27%
	Shared cost allocation	150,469	55,550	94,919	37%
	Grand total (1+2+3)	1,645,915	457,361	1,188,554	28%*

⁷ Available at: <https://irm.greenclimate.fund/cop/gram>

Notes

Actual expenditure for the IRM during the reporting period totalled USD 0.46 million against an approved 2022 annual budget of USD 1.6 million (28 per cent). The Board's attention is drawn to the fact that, as stated in the 2022 budget, 9 per cent of the IRM budget (i.e. USD 154,080) constitutes demand-driven costs which would be incurred only if complaints or reconsideration requests are received by the IRM and necessitate travel or expert advice. Additionally, the shared cost allocation stands at 37%, which is lower than what it would have been by the end of May, due to the delays in hiring a Procurement staff dedicated to IU-specific procurement requests.

A portion of spending on the consultancy and operating costs budget is dependent on complaints received. Given that the case being handled in relation to FP146, Nicaragua, is now going through both compliance investigation and problem solving processes, it is expected that a significant amount of payments will be made in June and July to cover the costs of travel and hiring individual experts and a mediator.

During the reporting period, the IRM hired the Consensus Building Institute (CBI) to train the Grievance Redress Mechanisms (GRMs) of the GCF's Direct Access Entities (DAEs) through one global workshop throughout June and one-on-one expert advice throughout the rest of 2022. The IRM has started to review the proposals received from translation and interpretation firms, one of which the IRM will hire to handle its translation and interpretation work more efficiently and expeditiously. The IRM is also in the process of contracting five civil society organisations to assist with its outreach activities, and will hire several individual experts to deliver a mediation training to the GRMs of the GCF's DAEs.

The shared recruitment of a procurement staff for independent units has not yet taken place. Thus, the shared cost allocation stands at 37%, which is lower than where it would normally stand at the end of May.
