



**GREEN
CLIMATE
FUND**

Meeting of the Board

13 – 16 March 2023

Songdo, Incheon, Republic of Korea

Provisional agenda item 8

GCF/B.35/Inf.17

7 March 2023

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 17 September 2022 to 3 February 2023 with budget utilisation until 31 December 2022. The document summarises the activities of the IRM based on the work plan and budget of the IRM for 2022 and 2023 adopted by the Board at its thirtieth and thirty-fourth meeting respectively.

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 and 2023 adopted by the Board at its thirtieth¹ and thirty-fourth meeting² respectively. The reporting period is from 17 September 2022 to 3 February 2023 with the budget utilisation until 31 December 2022.

3. The work plan of the IRM for 2022 and 2023 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 two complaints and closed two complaints during the reporting period. The two new complaints relate to FP039, and following consultations with the two complainants, the two complaints have been merged to follow the same complaints handling timeline. The complaint relating to FP121 was closed subsequent to the resolution of the complainant's concerns during the initial steps process. With regard to FP146, the IRM concluded the compliance review process and submitted the final compliance review report to the Board in advance of B.34. The same will be considered at B.35. With regard to the self-initiated inquiry into FP001, the IRM continued to monitor the agreement reached with the Secretariat and closed the case in January 2023 following the publication of the final report. The four complaints dealt with during this reporting period are discussed in further detail below:

- (a) *FP039: GCF-EBRD Egypt Renewable Energy Financing Framework:* In September and November 2022, the IRM received two complaints related to concerns over working conditions and access to grievance mechanism in the Benban Solar Park, with relevance to FP039. The complainants were formerly employed by the company Health and Safety Home, working on various projects in the Benban Solar Park. The complainants raise several allegations regarding working conditions and labour management issues,

¹ Decision B.30/08

² Decision B.34/08

including the quality of food provided and differential treatment of employees in terms of salary, benefits and promotions, prevention of access to grievance mechanism, and retaliation for filing complaints. Complainants have alleged lack of community development in the village (BenBan) where the project is based. The IRM has determined both complaints to be eligible³ and proceeded to the initial steps phase to determine the choice of case-handling process. The initial steps phase for both complaints concludes on 7 February 2023.⁴ Following discussions with complainants and stakeholders, an extension of the initial steps phase was requested and granted to ensure sufficient time for complainants to be fully informed about the choice of process. The new deadline for the initial steps phase to conclude is 14 March 2023.

- (b) *FP121: Results-based payments in Paraguay for the period 2015-2017:* In June 2022, the IRM received a complaint relating to FP121. The complainant (Instituto Paraguayo del Indígena (Paraguayan Indigenous Institute, INDI)) raised concerns regarding their lack of inclusion as part of the Board of Directors for FP121. As a legally recognised and established institution tasked with representing indigenous peoples in Paraguay, the complainant claimed that they should be involved in decision-making processes related to activities of the project that impact indigenous communities. The IRM declared the complaint eligible,⁵ and the case proceeded to the Initial Steps phase, where the IRM explored options for problem solving or compliance review, in consultation with the complainant and other stakeholders. The IRM's Compliance and Dispute Resolution Specialist held a series of meetings with several stakeholders, including the complainant, the national designated authority – Ministry of the Environment and Sustainable Development (MADES) of Paraguay – and the accredited entity – the United Nations Environment Programme. The initial conclusion of these rounds of meetings was that the apparent disagreement had been caused by miscommunication and that the initiation of a formal process would likely not be needed. More specifically, during the calls, the National Designated Authority stated that its intention was to offer the complainant a seat on the steering committee of the project and that only several delays had prevented it. Following these initial engagements, the National Designated Authority reported to the IRM that, on 5 September 2022, INDI had been formally granted a seat in the JDP (Junta Directiva del Proyecto) or steering committee of the project. Subsequently, at the request of the complainant, the IRM closed the case.⁶
- (c) *FP146: Bio-CLIMA: Integrated climate action to reduce deforestation and strengthen resilience in BOSAWÁS and Rio San Juan Biospheres in Nicaragua:* 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

³ The eligibility reports are available at: <https://irm.greenclimate.fund/sites/default/files/case/determination-eligibility-c0009.pdf> and <https://irm.greenclimate.fund/sites/default/files/case/determination-eligibility-c0009-complainant2.pdf>

⁴ The clarification on time limits is available at: <https://irm.greenclimate.fund/sites/default/files/case/clarification-time-limits-31-january.pdf>

⁵ The eligibility determination is available at: <https://irm.greenclimate.fund/sites/default/files/case/determination-eligibility-final.pdf>

⁶ The initial steps report is available at: <https://irm.greenclimate.fund/sites/default/files/case/initial-steps-report-paraguay-final.pdf>

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 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 report⁷ 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. The IRM constituted an investigation team led by the Head of the IRM and contracted the services of two subject experts who were specialists in the fields of Indigenous People's governance and on Indigenous Peoples and land titling matters. The IRM investigation team gathered information through virtual interviews with the GCF Secretariat staff and accredited entity staff. The IRM also undertook interviews with external experts on conflict sensitivity and indigenous peoples in Nicaragua. Additionally, some members of the IRM investigation team as well as the problem-solving team conducted a mission to Nicaragua in June 2022, and separately held in-person and virtual meetings with the complainant(s) and other indigenous peoples. While on mission in Nicaragua, the IRM team met with the accredited entity's country office staff, officials affiliated with agencies and ministries of the Nicaraguan Government and Presidents of some Indigenous Peoples Governments. Based on the interviews and evidence gathered, the IRM finalised a report containing the factual findings and recommendations of the compliance review process. A draft of the report was circulated with the GCF Secretariat, AE and complainant(s) for comments and feedback. The final compliance review report was submitted to the Board on 30 August 2022. During meetings of the Board held in October 2022 (B.34), the Board issued a decision related to the ongoing consideration of the IRM Compliance Report.⁸

- (d) *FP001: Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru:* The IRM received the last progress report from the GCF Secretariat on 11 July 2022,⁹ noting that the AE has confirmed the establishment of the new environmental conservation areas (Áreas de Conservación Ambiental, ACA), which was the last of the four undertakings provided by the Secretariat. Following Secretariat assessment of consent documentation submitted by the AE, the IRM closed the self-initiated inquiry by publishing a report on the outcomes of its preliminary inquiry into FP001,¹⁰ given the successful execution of all four undertakings outlined within the monitoring agreement.

6. The IRM also processed two pre-cases during the reporting period. One pre-case was closed and one pre-case is still 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.¹¹ The list available at the time of submission of this activity report was updated on 31 January 2022 and the next update will be made before March 2022.

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

⁷ Available at: <https://irm.greenclimate.fund/sites/default/files/case/compliance-appraisal-report-publicationc0006.pdf>

⁸ The Board decision is available at: <https://www.greenclimate.fund/decision/b34-23>

⁹ Available at: <https://irm.greenclimate.fund/sites/default/files/case/fp001-irm-progress-update-june-2022.pdf>

¹⁰ Available at: <https://irm.greenclimate.fund/sites/default/files/case/report-outcomes-self-initiated-proceedings-c-0002-peru-final-web.pdf>

¹¹ 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

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.

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 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 IRM worked on providing comments to the Secretariat on the development of a Governance Manual. According to the Secretariat, the Governance Manual is designed to consolidate and facilitate the transparent, consistent and coherent application of the requirements and practices used by the Secretariat in its engagement and support of GCF organs.

10. **Staffing:** The IRM is currently staffed with five full-time staff members: the interim Head of the IRM, the Compliance and Dispute Resolution Specialist, the Registrar and Case Officer, the Communications Associate and the Executive Assistant. The previous Head of the IRM departed the GCF, and Mr. Ibrahim Pam was appointed by the Board as the ad interim Head of the IRM from 31 August 2022 to 31 March 2023. The IRM is also supported by one intern. The IRM plans to hire two additional staff members – a Senior Dispute Resolution Specialist and a Mediation Case Officer – in 2023.

11. **Consultancies and Professional Services:** The Consensus Building Institute was hired to help the IRM with its company-community mediation training intended for GRM personnel of the GCF's DAEs. Additionally, the IRM hired a gender responsiveness expert to deliver training on how the IRM can improve its gender responsiveness in conducting its work. It also hired a firm to provide training on how the IRM can handle complaints involving individuals and/or communities undergoing traumatic experiences.

12. **Gender Strategy Note:** The IRM developed a Gender Strategy Note¹² with a view to mainstreaming gender considerations and ensuring a gender-responsive approach in relation to each of its five functions. The IRM integrated the key recommendations of the Strategy Note within its Standard Operating Procedures and its staff were trained by an external consultant on building gender responsiveness. This training was conducted in November and December 2022, and the IRM has committed to implementing some internal action plans to build a more gender-responsive team.

3.2 Communications strategy

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

- (a) **Civil Society Outreach:** On 23 November 2022, the IRM, together with the Indigenous Livelihoods Enhancement Partners (ILEPA) and the Kenya Climate Change Working

¹² Available at: <https://irm.greenclimate.fund/document/irm-gender-strategy-note>

- Group (KCCWG), met with over 60 participants from Kenya for its last outreach webinar of 2022. The webinar was simultaneously interpreted into Swahili.
- (b) On 20 October, the IRM participated in the Amfori - Trade with Purpose - Annual Event. The IRM talked about the GRAM partnership during a session on "Resolution through Collaboration – towards Impactful Grievance Mechanisms."
 - (c) At COP27 in Sharm el-Sheikh, Egypt, the IRM participated in two side events and showcased the importance of strong, independent and transparent grievance redress mechanisms.¹³
 - (d) **Inreach:** On 1 December, the IRM introduced its new board game "road to redress" to GCF Secretariat and Independent Unit colleagues. This board game is designed to educate its stakeholders on the IRM's complaints handling process. The IRM has incorporated comments received from colleagues who attended the GCF inreach event and the Independent Accountability Mechanisms network (IAMnet) annual meeting held in October 2022 and will produce a final version of the board game in the first quarter of 2023.
 - (e) **Communications materials:** During the reporting period, the IRM published ten news items¹⁴ and one podcast episode.¹⁵ The IRM also sent out the eleventh issue of its newsletter "Redress Counts."¹⁶

3.3 Providing advice

- 14. During the reporting period, the IRM continued to engage with the Secretariat on the draft Environmental and Social Safeguard (ESS) Standard and the draft Governance Manual, among others.
- 15. 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

16. 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 5 October, the IRM hosted the 7th GRAM Partnership webinar in collaboration with the Social and Environmental Compliance Unit (SECU) of the United Nations Development Programme (UNDP) and the Office of the United Nations High Commissioner for Human Rights (OHCHR). The webinar unpacked options for meaningfully integrating human rights principles and requirements in safeguard policies and grievance mechanisms' processes, drawing on OHCHR's recent Benchmarking Study of DFI Safeguard Policies. The webinar was attended by about 80 participants from grievance mechanisms, including GRMs of DAEs, Independent Accountability Mechanisms (IAMs), civil society organisations and research institutes. The video recordings and the presentation slides of all the past GRAM webinars are available on the IRM website.¹⁷

¹³ More information about the IRM's participation in COP27 is available at: <https://irm.greenclimate.fund/news/redress-irm-and-cop27>

¹⁴ Available at: <https://irm.greenclimate.fund/news>

¹⁵ Available at: <https://anchor.fm/redress-now-irm>

¹⁶ Available at: <https://mailchi.mp/gcfund/newsletter-of-the-independent-redress-mechanism-of-the-gcf-winter-2021-5370908>

¹⁷ Available at: <https://irm.greenclimate.fund/cop/gram>

17. In November 2022, the IRM hosted two separate company-community mediation trainings – one for the Asia-Pacific region and another for the other regions – to GRM personnel of the GCF’s DAEs. A total of 18 participants completed the training and received certificates. The IRM also provide individualised support to GRMs of DAEs through CBI.

3.5 Independent Accountability Mechanisms Network (IAMnet)

18. 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. The IRM staff joined the annual IAMnet meeting held in New York from 24 to 27 October 2022, where it presented its self-assessment and board game “Road to Redress.”¹⁸

IV. Budget utilisation for the reporting period

19. The utilisation of the IRM’s 2022 budget up until 31 December 2022 is shown below, along with an explanation for the percentage of spending.

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

		2022 Approved Budget	Actual Expenditure to 31 December 2022	Balance	% spent
3.1	Staff, Consultants and Interns				
3.1.1	Full-time Staff	1,095,945	902,254	193,691	82%
3.1.2	Consultants and Interns	160,390	64,207	96,183	40%
	Subtotal: Staff, Consultants and Interns	1,256,335	966,461	289,875	77%
3.2	Travel				
3.2.1	General	19,030	53,452	-34,422	281%
3.2.2	Travel associated with complaints/requests	42,530	24,959	17,571	59%
	Sub-total: Travel	61,560	78,411	-16,851	127%
3.3	Contractual Services				
3.3.1	Professional Services	147,651	134,182	13,469	91%
3.3.2	Operating costs	29,900	14,715	15,185	49%
	Sub-total: Contractual Services	177,551	148,898	28,654	84%
	Total	1,495,446	1,193,770	301,676	80%
	Shared cost allocation	150,469	144,430	6,039	96%
	Grand total (1+2+3)	1,645,915	1,338,200	307,715	81%

Notes

Actual expenditure for the IRM during the reporting period totalled USD 1.34 million against an approved 2022 annual budget of USD 1.65 million (81 per cent). The Board’s attention is drawn to the fact that, as stated in the 2022 budget, 9 per cent of the IRM

¹⁸ More information about the IRM’s attendance at the IAMnet Annual Meeting is available at: <https://irm.greenclimate.fund/news/accountability-core-2022-iamnet-annual-meetings>

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.

A portion of spending on the consultancy and operating costs budget is dependent on complaints received. The IRM's case regarding FP146, Nicaragua, necessitated some travel and the hiring of a mediator and subject experts. Some operating costs budget was spent to cover the expenses related to venue hire and stakeholder participation during the complaints handling process.

In 2022, the IRM attended a few international meetings, including B.32, COP27 and the Independent Accountability Mechanisms network (IAMnet) annual meeting. The IRM's participation in the IAMnet meeting was deemed crucial given the transition period of the IRM, the necessity to share and learn emerging and best practices in the IRM portfolio or work and the importance of re-establishing connections with the focal points of other IAMs, in-person, following two years of virtual meetings due to Covid-19.

In the past, the IRM had hired individual language consultants for its ad-hoc translation and interpretation requirements. In 2022, the IRM contracted 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 repeatedly hire translators and interpreters throughout the year.

The IRM hired the Consensus Building Institute to train the Grievance Redress Mechanisms (GRMs) of the GCF's Direct Access Entities (DAEs) through one global workshop, two company-community mediation trainings and one-on-one expert advice. The IRM also contracted two civil society organisations to assist with its outreach activities. In addition, the IRM used the services of Future by Design to design its 2021 annual report and the new board game "road to redress."
