Letter on the integration of indigenous peoples’ traditional knowledge in adaptation and proposal for a pilot program on direct access to finance for indigenous peoples

November 6, 2019

The Board Members
Green Climate Fund
G-tower, Songdo-daero
Incheon, Republic of Korea

Dear Board members,

The upcoming November 2019 Board meeting will be discussing matters of great concern and of importance for indigenous peoples (IPs). BM 24 also offers an opportunity to progress in the approach and activities of the GCF, to align them to international best practices and commitments, with a view to contribute to the transformational and innovative impacts the Fund intends to pursue.

As a matter of fact, you will be discussing various forestry and REDD+ projects, that are relevant for indigenous peoples, in a way that these should ensure IP rights are not violated, are upheld and respected, and benefits are provided to them.

You will also be discussing replenishment, the Strategic Plan and programmatic approach, that offer an opportunity to properly and formally acknowledge – in their operative implications - the contribution of indigenous peoples to the Fund’s goals and purposes, the consideration of indigenous peoples’ knowledge, and the need to ensure that indigenous peoples can have direct access to finance, in line with what other Climate funds successfully do.

An important significant step in that direction would be – for instance - to contemplate the development of a pilot program on direct access to finance for indigenous peoples, by inserting reference to it in the Strategic Plan for the coming years.

With this letter, we wish to share with you the rationale for such demands, providing an analysis of how indigenous peoples’ knowledge can contribute to the Fund’s goals and the conditions that are required to ensure that. First and foremost, by establishing a direct access to finance for indigenous peoples that can be parallel or alternative to currently envisaged modalities, and that could be better tailored to indigenous peoples’ potential contributions or needs.

A. Positive contribution of indigenous peoples’ knowledge and livelihood systems to the Fund’s goals

The most recent IPCC special report on climate change and land (2019) confirms the importance of indigenous peoples’ rights to land and the relevant role that indigenous peoples’ knowledge systems play in protecting forests and reducing global emissions. It is assessed that indigenous peoples worldwide manage 22% of total carbon found in tropical and subtropical forests (above and below ground). ¹

¹https://ipccresponse.org/home-en
In its 5th Assessment report, (2014) the IPCC had already recognized the potential role of indigenous knowledge in adaptation and recommended policy makers to do more to integrate indigenous knowledge in adaptation programs and efforts. 2

These data are confirmed in other research carried out by the Rights and Resources Institute (RRI) 3 according to which Indigenous Peoples and Local Communities manage 300 million tons of carbon in trees and soils, equal to 33 times the global emissions from the energy sector in 2017.

It should be stressed in this regard, that the Paris Agreement explicitly recognizes the role of indigenous knowledge in adaptation and mitigation and establishes a platform of exchange of experiences and knowledge from indigenous peoples and local communities:

V. non-party stakeholders, para 135: “Recognizes the need to strengthen knowledge, technologies, practices and efforts of local communities and indigenous peoples and related to addressing and responding to climate change, and established a platform for the exchange of experiences and sharing of best practices on mitigation and adaptation in a holistic and integrated manner;”

Furthermore, in its Article 7, para 5 the Paris Agreement formally recognizes the positive contribution of indigenous peoples’ knowledge to the Agreement’s goals:

“Parties acknowledge that adaptation action should follow a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems, and should be based on and guided by the best available science and, as appropriate, traditional knowledge, knowledge of indigenous peoples and local knowledge systems, with a view to integrating adaptation into relevant socioeconomic and environmental policies and actions, where appropriate.”

With regard to the Green Climate Fund, the UNFCCC COP has requested the GCF to consider a recommendation to “enhance (its) consideration of local, indigenous, and traditional knowledge practices and their integration into adaptation planning and practices, as well as procedures for monitoring, reporting and evaluation.”

This far only the latter recommendation has been taken into account, while the former, related to the enhancement of consideration of contribution of indigenous traditional knowledge practices in adaptation is far from being accomplished, with the current adaptation approach of the GCF, taking into account only generally defined “community-based adaptation”.

This delay needs to be addressed also in order to comply with the IP policy’ first specific objectives, that is “to support (...) the positive contributions and leadership of indigenous peoples".

3Adaptation planning and implementation at all levels of governance are contingent on societal values, objectives, and risk perceptions (high confidence). Recognition of diverse interests, circumstances, social-cultural contexts, and expectations can benefit decision-making processes. Indigenous, local, and traditional knowledge systems and practices, including indigenous peoples’ holistic view of community and environment, are a major resource for adapting to climate change, but these have not been used consistently in existing adaptation efforts. Integrating such forms of knowledge with existing practices increases the effectiveness of adaptation. https://www.ipcc.ch/site/assets/uploads/2018/02/ar5_wgII_spm_en.pdf
See also on the Nairobi Action Plan on adaptation and climate change: https://unfccc.int/files/adaptation/application/pdf/4_synopsis_itkp.pdf
to climate change mitigation and adaptation, based on their traditional knowledge systems, livelihoods, sustainable resource management systems...”. Moreover, the IP Policy clearly states that the GCF recognizes the traditional knowledge held by indigenous peoples … “and will promote the participation and leadership of traditional knowledge holders in GCF-finance activities.”

Furthermore, the GCF commits to “generating and sharing knowledge built on the experiences gained from indigenous peoples and climate change and from implementing this Policy. 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 paragraph 135 of decision 1/CP.21 of the UNFCCC, 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.”

The GCF should therefore consider the indigenous peoples policy not only in its do-no-harm approach and in its goal of providing benefits to indigenous peoples, as the case seems to have been this far, but also as a tool to catalyze and support indigenous peoples’ active contributions to its goals, through their knowledge systems, and traditional livelihoods. An initial step toward that direction would be to integrate explicit reference to indigenous knowledge role in the GCF Adaptation approach and relevant results areas such as livelihoods and ecosystems.

B. Piloting direct access to GCF finance for indigenous peoples in line with current best practice in climate finance

Parallel to the operational-level acknowledgement of indigenous knowledge contribution to the Fund’s goals, the Secretariat should consider the possibility of developing a pilot program for direct access to financing for indigenous peoples, in line with current practice in other climate finance institutions.

Indigenous peoples strongly welcome the adoption of the IP policy and the envisaged IP Advisory Group (IPAG).

However, this far, proposals to establish a direct access modality for IPs, (that - as shown in other Climate Funds - is the “third” pillar of a coherent indigenous peoples policy) has not yet been given the needed attention by the Secretariat and the GCF Board, and existing modalities such as the EDA (or the SAP, as proposed in the Strategic Plan under your consideration at the upcoming Board meeting) do not provide opportunities for IP Organizations to directly present projects. In this sense, the GCF seems to be losing an important opportunity to align its approach and practices to emerging international good practice and transformational approach with respect to recognition, respect and promotion of indigenous peoples’ rights and enhanced access to funding for climate change projects. Moreover, a significant amount of GCF projects that are funded and to be funded will be implemented in IP territories where the relevance of direct engagement of IPs and of direct access to small grants are evident.

Envisaging a dedicated fund or direct financing modality for IPs would therefore serve two purposes: ensuring support to the effective implementation of the GCF IP Policy while offering the opportunity for IPs to actively contribute to the GCF goals in adaptation and mitigation.

As a matter of fact, there is ample evidence from other similar mechanisms showing that providing direct access to indigenous peoples will contribute to the implementation of their rights,
one of the key aspects of the GCF IP Policy, and to the improvement of climate action and programs – one of the key goals of the GCF.

For instance, according to a recent independent review of the Climate Investment Funds, the Dedicated Grant Mechanism for Indigenous Peoples (DGM) created by the Forest Investment Program (FIP)\(^4\), by allowing IPs to directly access funds, and involving them in design and implementation of projects for forest protection; has been very successful. Indigenous peoples have been provided with financial and technical capacity and thus been put in the condition of offering a valuable contribution to climate mitigation.

The results of the review were far better than originally expected, and have better met community needs, promoted their representation, and helped in generating more attention to IP issues in the respective countries and at the international level. One of the key achievements has been the recognition of IP land rights and representation of women. It has been assessed that local level projects funded by the DGM have assisted as many as 133 communities in their land claims to 400,000 hectares of forests in Peru, for example.

Also, a recent evaluation of the GEF Small Grants program that provides direct funding to indigenous peoples and Community-Based Organizations (CBOs) and considered direct involvement of IPs as key for the pursuit of GEF goals, found that SGP benefitted IPs in many ways including access to training/capacity building, income and livelihoods improvement and increased consultation and project design.

The 2017 Independent Evaluation of the GEF engagement with indigenous peoples recommended to Establish and strengthen dedicated funding opportunities for indigenous peoples projects/organizations by strengthening the GSP and other GEF project oriented grants, while the “World Bank’s Dedicated Grants Mechanism serves as a model of a funding window that could be adapted for the GEF”\(^5\).

It should be noted that the establishment of the Fund for Indigenous Peoples is considered at the GEF as one of the steps for the implementation of their IP policy together with the establishment of an IPAG. The proposal contained in the GEF IP Policy is to establish a specific fund for indigenous peoples, with the assistance of the IPAG, that could be administered by AEs at the national level and managed by a Board composed of IP representatives, or alternatively the existing SGP. The latter has this far been the pursued option, but the GCF might consider also the former as a possibility to be assessed in the elaboration of a proposal for a pilot program, building up, as also recommended by the GEF Independent Evaluation, the best practice of the FIP DGM.

Lastly, the IFAD IPAF (Indigenous Peoples Assistance Facility)’s Assessment of the Performance of the fourth IPAF cycle (2019)\(^6\) shows that small grants directly accessible by IPs have contributed to improve IP livelihoods, enhancing access and protection of natural resources, increasing participation of women and preserving and recovering traditional knowledge. IP operational capacities have also improved. IPAF small grants aim at supporting IP self-driven development and initiatives designed and implemented by them and their communities and organizations, building up on their culture, knowledge, identity and resources.

\(^6\)https://www.ifad.org/en/web/knowledge/publication/asset/41013869
Other Climate and multilateral funds have also developed specific direct finance channels for indigenous peoples such as the UNDP community-based REDD+ and the FCPF Indigenous Peoples and Local Communities Capacity Building Fund.

We wish to draw your attention to the fact that in a recent statement on finance at the preparatory meeting for the UN Climate Summit, held in Abu Dhabi in June-July 2019, the International Indigenous Peoples Forum on Climate Change (IIPFCC), pointed to the disconnect between the recognition of the IP contribution to climate resiliency and requisite support, also by means of direct access modalities to finance. The IIPFCC therefore called for increased commitment by exiting funds to deliver dedicated and scaled-up climate finance for indigenous peoples, especially in the areas of land tenure security, and indigenous knowledge systems and practices. 7

Broadly speaking, the need to contemplate possible targeted funding for IPs is also acknowledged in the GCF IP Policy:

*Resource allocation*

98. GCF will give consideration to activities proposed for GCF financing that are tailored to meet the needs and priorities of indigenous peoples and to support their initiatives and efforts for climate change mitigation and adaptation actions.

99. 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 people’s inequality or they are not benefiting from GCF support adequately.

This far, however, the Fund has not yet contemplated the possibility of establishing a Direct Access financial facility or window for indigenous peoples to support their initiatives or offer targeted funds to support indigenous peoples-led climate change adaptation and mitigation projects or programs. As a matter of fact, the Indigenous Peoples Policy clarifies that indigenous peoples could be directly engaged either via the Accredited Entity that “may” include technical or financial support as part of GCF-financed activities (and this is for instance the case of the recently approved REDD+ Project in Ecuador, where UNDP is the Accredited Entity) or through the NDA. Both NDA and AE “may” seek support through readiness and preparatory support proposals and funding proposal for initiatives such as “support for the development priorities of indigenous peoples through programs (such as community-driven development programs) developed by governments (emphasis added) in cooperation with indigenous peoples.

Hence, the current approach does not seem to take into consideration the best practices and the positive outcomes that direct access modalities such as theIPAG, the DGM or the SGP of the GEF have delivered on the two interlinked aspects of promoting and safeguarding indigenous peoples’ rights and enhancing the performance of those institutions in terms of climate change adaptation and mitigation.

C. Conclusions

In the light of the above, indigenous peoples call on the Board and the Secretariat to:

a. Properly integrate and acknowledge the positive contribution that indigenous peoples can offer to the Fund’s goals by means of their knowledge systems and traditional livelihoods in adaptation;

b. Consider options for the support of small-scale projects designed, implemented and led by indigenous peoples, on the basis of their knowledge systems and traditional livelihoods in programmatic approach;

c. Integrate the Strategic Plan and the Secretariat workplan for 2020 with a commitment to research and further develop a proposal for a pilot program on direct access to finance for indigenous peoples, in line with current best practices in other Climate Funds. A workshop between the Fund, other institutions that are currently operating such modalities and the Indigenous Peoples Advisory Group (as soon as this is established) should be convened and its results and recommendations for a direct access modality for indigenous peoples brought to the Board attention and adoption by 2020.

d. Ensure that the GCF strengthen exchanges with the IPLC platform with a view to develop a policy paper on Indigenous Peoples knowledge systems’ contributions to the GCF goals and priorities with the active engagement and contribution of the IPAG.

Sincerely yours,

The Indigenous Peoples’ Global Advocacy Team on the Green Climate Fund composed the following organizations:
1. Tebtebba Foundation (Indigenous Peoples International Centre for Policy Research and Education), Philippines
2. Centro para la Autonomía y Desarrollo de los Pueblos Indígenas (CADPI), Nicaragua
3. Indigenous Livelihoods Enhancement Partners (ILEPA), Kenya
4. Pastoralists Indigenous Non-Governmental Organizations Forum (PINGOS Forum), Tanzania
5. Nepal Federation of Indigenous Nationalities (NEFIN), Nepal
6. International Work Group for Indigenous Affairs (IWGIA), Denmark