

The **GREEN CLIMATE
FUND READINESS** *and*
INDIGENOUS PEOPLES

THE CASES OF PERU, NICARAGUA, KENYA,
DEMOCRATIC REPUBLIC OF CONGO AND VIETNAM



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Introduction

Indigenous peoples are among those that are affected the most by climate change and at the same time those that have contributed and can actively contribute positive solutions to mitigation and adaptation. They have done so throughout the centuries, managing and ensuring the integrity of the ecosystems upon which their survival—physical and spiritual—strongly depends upon.

Indigenous Peoples are now considered as key actors in climate policies and programmes, and their active role and right to be consulted, engaged and informed—as well as compliance to the broader suite of indigenous peoples’ rights in accordance to international obligations and instruments—are recognized in various climate initiatives, from the UNFCCC to climate funds, such as the FCPF, the UNREDD, the CIFs and the Green Climate Fund. Furthermore, the recognition of the contribution of indigenous peoples and their traditional knowledge in adaptation and mitigation in the UNFCCC and more recently in the Paris Agreement offers a unique opportunity—in particular for the Green Climate Fund—to capture the potential of indigenous peoples’ engagement in Fund’s activities at all level, from the local project level, to the national level, and globally.

Such a virtuous synergy would be enabled by the adoption of some key criteria and commitments at various levels, from the GCF to the country level.

On the one hand, Indigenous Peoples and Civil Society Organizations working on the GCF, have repeatedly called on the GCF to adopt a coherent and free-standing policy on Indigenous Peoples¹ that—among others—would spell out the key steps required to ensure that any GCF initiative will not harm indigenous peoples, thereby further multiplying their vulnerability, but also “do good” to them. On the other, IPOs and CSOS have urged the Fund to develop and adopt criteria to ensure the full and effective participation of indigenous peoples in national processes, in particular through the respective National Designated Authority (NDA) or Focal Point and the overall country ownership strategy and approach. And lastly to provide opportunities for indigenous peoples to directly access finance for projects designed by themselves on the basis of their traditional knowledge and livelihoods to ensure that the full spectrum of benefits, carbon and non-carbon are effectively produced.

In this sense the role of Nationally Designated Authorities or focal points, as well as National Implementing Entities (NIEs) is crucial as is their capacity to grasp the complexities associated with climate policies and programmes that might impact or benefit indigenous peoples, to equip themselves with the relevant policies and procedures and to fully and effectively engage with indigenous peoples in proper consultation and outreach initiatives.

¹ <http://tebtebba.org/index.php/content/392-an-indigenous-peoples-policy-for-the-gcf> for a complete collection of Indigenous Peoples submissions to the Green Climate Fund: “Indigenous Peoples and the Green Climate Fund” Tebtebba Foundation, 2017 http://www.indigenousclimate.org/index.php?option=com_content&view=article&id=251%3Aips-and-the-green-climate-fund&catid=3%3Anews&lang=en.

The Time is Now

A significant amount of Readiness and Preparation programs is already in place or due to be funded in a medium-short timeframe,² while key policies are being developed and will be adopted that are expected to contribute to enhance the capacities of the GCF, Accredited Entities (AEs), National Designated Authorities and focal points, as well as National Implementation Entities to fulfil high level social and environmental standards, such as the Indigenous Peoples' Policy, the Environmental and Social Management System, and the REDD+ Scorecard.

Such policies are also pertinent to activities and capacities of the NDAs and focal points, in the sense that these should provide the enabling conditions to ensure the full and effective engagement of stakeholders and rights holders, such as Indigenous Peoples, and to develop capacity to support and correctly identify the administrative and legal instruments required to

contribute to the implementation of such policies.

This is why now is the time to properly assess the degree of compliance of NDAs to the expected results related—first and foremost—to stakeholder engagement, and to identify modalities and offer opportunities for NDAs and Focal Points, as well as indigenous peoples to improve the understanding of their respective roles and contributions, challenges and gaps to be addressed, and to contribute to deliver results that are in line with the transformational goal of the Green Climate Fund. This is even more crucial when considering that, according to the “*Initial Best Practices for Country Coordination and Multistakeholder Engagement*”, multistakeholder engagement and country coordination are also “critical” for preparation of funding proposal, monitoring and evaluation, and to ensure alignment to the relevant GCF environmental and social safeguards, such as those related to stakeholder engagement and information disclosure.³

² http://www.greenclimate.fund/documents/20182/751020/GCF_B.17_Inf.06_-_Readiness_and_Preparatory_Support_Programme_Progress_Report.pdf/54219665-621e-4cb1-a0ab-7d612f25f114.

³ Country coordination and multi-stakeholder engagement are critical for the effective preparation of funding proposals, as well as ongoing monitoring and evaluation after approval. This process should be well aligned with relevant provisions of the Fund's environmental and social safeguards, which require, among other things, that all projects/programmes will be designed and implemented to be consistent with the Fund's requirements for stakeholder engagement and disclosure http://www.greenclimate.fund/documents/20182/466886/Best_Practices_for_Country_Coordination_and_Multi-Stakeholder_Engagement.pdf/585960fa-8e8d-4078-a313-f5575db240f0.

Country Ownership or Peoples' Ownership?

With this purpose in mind, and to correctly frame the analysis and proposals within the perspective of Indigenous Peoples, a critical aspect related to “country ownership” needs to be critically unpacked. As clearly stressed in various submissions made by indigenous peoples’ organizations, according to GCF policies, “country ownership” is exclusively “state-centered”, and hence the sole task of the NDA or Focal point, notably of governments, that in many cases do not recognize the rights of indigenous peoples as defined in international standards and obligations. Or if they do, there is no effective practical implementation of these in their policies and programmes. In any case, the “country ownership”—as meant by the GCF—implies that it is the task of governments and implementing agencies to ensure full consultation with stakeholders, for the definition of country priorities, the development of the *Accreditation Master Agreement* (AMA), and ensure the full implementation of GCF safeguards and fiduciary standard as well as establish a dispute resolution mechanism.⁴

This point has also been reiterated by CSOs, including Indigenous Peoples, in occasion of the discussion on Country Ownership at the last GCF Board meeting, B17. As a matter of fact, CSOs pointed to the need for the GCF to “distinguish itself from other funds as regards country ownership”, and establish effective processes to address the NDAs’ lack of information or misinformation on the GCF that CSOs and indigenous peoples have recorded in various occasions. Hence, NDAs should at least ensure interagency coordination, and perform best practice consultation with indigenous peoples and civil society organizations.

Further, NDAs should be required to set up national coordination mechanisms, and formal consultation processes. CSOs and indigenous peoples also called for prioritization of those Readiness and Preparation grants for whom evidence of stakeholder engagement through national coordination mechanisms and consultation processes is provided.

Country ownership therefore should be more than a *state-centered* approach, or an interaction with national government if not even ownership by a single ministry. It should be meant in a broader sense, as including local governments, affected communities, indigenous peoples, women, civil society and local private sector, and the GCF board should operationalize policies on country ownership to that effect.

Nevertheless, the procedures of the Fund to verify that indigenous peoples are fully and effectively consulted and proposals based on application of indigenous peoples’ traditional knowledge are left to the discretion of the NDAs, and there is no mandatory or binding language on multi-stakeholder engagement. Rather there is a set of “*initial best practice options for country coordination and multi-stakeholder engagement.*” As a matter of fact, the initial best-practice guidelines for the selection and establishment of national designated authorities (NDAs) and Focal Points include the capacity “*to facilitate and coordinate country coordination mechanisms and multi-stakeholder engagement for country consultations,*” as well as “*retain an overview of all funding proposals relating to the country*” and “*familiarity with relevant institutions and stakeholders in the country.*”⁵

⁴ Tebtebba Foundation – Forest Peoples Programme, letter to the Green Climate Fund Board, October 22, 2015 <http://www.forestpeoples.org/sites/fpp/files/news/2015/11/Letter-to-GCFBoard.pdf>

⁵ http://www.greenclimate.fund/documents/20182/466886/Best_Practices_Guidelines_for_NDA_FP_Selection_and_Establishment.pdf/ad4834dc-53ff-4799-801e-1e1b9f1b41cf and http://www.greenclimate.fund/documents/20182/466886/Board_Decisions.pdf/5a7648df-ccf3-4ec2-a75b-5d031e06a03e.

Readiness for Whom?

Generally speaking, stakeholder engagement does not seem to be considered as a key priority by NDAs, and the same applies to indigenous peoples, that are only marginally considered in Readiness proposals, engaged in regional NDA workshops or Structured Dialogues. According to the progress report on Readiness and Preparatory Support programme, presented to the GCF Board at its 17th meeting (July 2017), as of May 2017, 102 requests from 78 countries for USD 30 million have been approved and 56 of these requests are under implementation. As regards stakeholder engagement, only 15 grants under implementation are expected to produce results on stakeholder engagement by the end of 2018 accounting for only 25% of the total of Readiness grants under implementation. One of the countries in which results on stakeholder engagement are expected is the Democratic Republic of Congo, object of one of the case studies of this report.⁶ As regards indigenous peoples, of the initial 47 Readiness proposals presented to the GCF, only 12 referred to indigenous peoples.

It is therefore of utmost importance that any effort made by the GCF to support NDAs and Focal Points to assist them in developing their capacity to fulfil these requirements and effectively manage GCF funds, Readiness and Preparatory Support Programmes, clearly identify the challenges and opportunities, the needs and potentials for the engagement of indigenous peoples and to respect their rights and related Environmental and Social Safeguards at the country level.⁷

As a minimum, NDAs and Focal Points should commit and be in the position and capacity to engage indigenous peoples in the management and decision-making structures and in projects and programme design, proposal, assessment, monitoring and appraisal, as well as by enabling direct access to finance for projects proposed by indigenous peoples. At the same time, NDAs and Focal Points should commit and have the capacity to coordinate and ensure consistency among the various national and international climate funds and budget-lines, with a view to guarantee accountability, transparency and effectiveness of climate policies and programs at the national level.

Lastly, specific capacity-building and support initiatives should be put in place to enable indigenous peoples to fully understand the functioning of the Green Climate Fund, and the opportunities deriving from its activities and priorities, as well as to actively engage with their NDAs or Focal Points in the identification and definition of country programs and priorities.

These recommendations are further and strongly corroborated by the findings of this report, that is the result of a “participatory” analysis and assessment of the state of climate finance, of the existing institutional framework, the activities of the NDAs and Focal Points, and the challenges for indigenous peoples and for the Green Climate Fund, carried out by Tebtebba Foundation’s partners in selected countries.

⁶ http://www.greenclimate.fund/documents/20182/751020/GCF_B.17_Inf.06_-_Readiness_and_Preparatory_Support_Programme_Progress_Report.pdf/54219665-621e-4cb1-a0ab-7d612f25f114.

⁷ 16 million USD are available for the GCF to support Readiness and Preparatory Support. As of May 2017, as many as 101 readiness requests have been approved in 75 countries, for a total of resources approved for readiness of 29.5 million USD. As many as 56 Readiness requests have been disbursed and 46 countries have received Readiness funds for a total of 6 million USD http://www.greenclimate.fund/documents/20182/466883/Readiness_Support_State_of_Play.pdf/60519d7a-e334-40d5-a0ab-86f79b60e36d for a more detailed analysis of the status of Readiness Preparation programs and activities at the GCF (as of May 2017) please check http://www.greenclimate.fund/documents/20182/751020/GCF_B.17_Inf.06_-_Readiness_and_Preparatory_Support_Programme_Progress_Report.pdf/54219665-621e-4cb1-a0ab-7d612f25f114.

This Report

Five partners of Tebtebba Foundation, notably, Dignité Pygmée, (DIPY) in the Democratic Republic of Congo (DRC), Centre of Research and Development in Upland Areas (CERDA) in Vietnam, Centro de Culturas Indigenas del Peru (CHIRAPAQ), Centro para la Autonomia y Desarrollo de los Pueblos Indigenas (CADPI) of Nicaragua, and Indigenous Livelihoods Enhancement Partners (ILEPA) of Kenya produced country analyses on the GCF Readiness and indigenous peoples.

Partners were asked to describe governments' programs and policies that intend to engage with different stakeholders in the country and determine how ethnic minorities/indigenous peoples are being involved/consulted in the GCF and other climate related mechanisms. Secondly the reports would provide an assessment of the level of awareness of indigenous peoples and local communities on the GCF and identify potential challenges and opportunities for indigenous peoples, ethnic minorities and local communities, CSOs, NGOs, at the country level in readiness and implementation phase of GCF activities. Last but not least, they also collated recommendations formulated by indigenous peoples and local communities regarding the Green Climate Fund, the National Designated Authority (NDA) and the Green Climate Fund Board.⁸

This final report is meant to provide inputs and proposals to the country NDAs and Focal Points, to the GCF Board and Secretariat, as well as to guide the strategic engagement of indigenous peoples at GCF and national levels. It is an interesting sample of national cases, where the Green Climate Fund interacts and engages in various forms, both by means of Readiness and Preparation Programmes and/or by directly supporting projects, and where the indigenous peoples and local community component is notable. In some of the selected countries, Readiness Preparation Programs are underway and three of them have GCF funded projects, (Kenya, Vietnam, Peru). In others, no Readiness program has been presented to the GCF (Vietnam, Nicaragua) and in one there is no GCF activity but other donors (this is the case of Nicaragua with a program funded by Inter-American Development Bank and Nordic Development Fund) are supporting a Readiness program. Hence the selected cases offer an interesting opportunity to assess the engagement of indigenous peoples in GCF activities at various levels and degrees, from engagement at NDA level to participation, if any, in GCF projects formulation and implementation. (See Box 3 on page 17)⁹

⁸ See box 1 on page 15 for full spectrum of questions for the research.

⁹ See box 2 on page 16 for info on GCF engagement in the selected countries. For an overview of Readiness programs as of December 2016: https://www.greenclimate.fund/documents/20182/490910/GCF_B.15_Inf.08_-_Progress_and_outlook_report_of_the_Readiness_and_Preparatory_Support_Programme.pdf/.

Findings

In some of the selected countries, government programs and policies seem to recognize the need and obligation to engage and recognize the rights of indigenous peoples, at least on paper. This is particularly the case for Nicaragua and Kenya (and Peru to a limited extent) where national legislation does recognize the right to consultation and participation of indigenous peoples and local communities in climate policies and programs. In those countries, however, a significant gap was noted, since, while some government agencies in fact engage indigenous peoples, those that function as NDAs and/or AEs do not. Hence, this creates a risk of inconsistency and lack of coherence in the definition of modalities to engage stakeholders and to fully recognize and respect indigenous peoples' rights across the whole spectrum of climate change policies and programs at the national level.¹⁰

Thus, in **Nicaragua**, MARENA (the Ministry of the Environment and Natural Resources) should commit more clearly in its role as NDA, and clarify its strategy and approach towards the Green Climate Fund as well as the role for autonomous governments in the Caribbean and of Indigenous Territorial Governments. It is worth noting that Nicaragua has not applied for a Readiness Preparation grant to the GCF, but Readiness activities are included in a Readiness program for Central America and Bolivia supported by the Inter-American Development Bank and the Nordic Development Fund. It should be noted here that the Ministry of Finance and Public Credit and not the MARENA which is the NDA for GCF, acts as counterpart of this Readiness Programme in Nicaragua. MARENA is currently working on the Read-

iness Preparation Plan and the Readiness Package with the Forest Carbon Partnership Facility (FCPF) and it is expected that such engagement would result also in a stronger commitment on mitigation activities in forests, and to facilitate further and more proactive engagement of Nicaragua with the Green Climate Fund. It is expected for instance that the presence of an alternate Board member from Nicaragua in the GCF Board and the granting of full membership of Nicaragua in the Board of the GCF by 2018 would consolidate the country's engagement with the Fund.

To add on this, both in **Nicaragua and Peru**, the level of recognition and engagement of indigenous peoples is different, according to their region of provenance. As regards Nicaragua, such situation could be corrected, on the basis of the experience accumulated by MARENA in working with the FCPF, especially as regards the high level of involvement and the dull participation of the 25 indigenous territorial governments in the preparation of the Readiness Preparation Plan (RPP), the Readiness Plan Idea Note (R-PIN), and the Readiness Package (R-Package).

In Peru, while Quechua and Aymara Andean indigenous peoples have been recently included in indigenous peoples' policy talks, most climate change initiatives are aimed towards the Amazonian forest environments, even though high altitude ecosystems are also extremely vulnerable to climate change. The recognition of Andean peoples' collective rights as indigenous peoples is only a recent development, and the historical neglect of their indigenous identities has hindered their development of collective proposals to face climate change. Further GCF plans for Peru

¹⁰ NDAs in the selected countries: MARENA (Ministry of Environment and Natural Resources) in Nicaragua, Ministry of Economy and Finance in Peru, The National Treasury in Kenya, Ministry of Planning and Investment in Vietnam, National Coordination of the Green Climate Fund in the Democratic Republic of the Congo (DRC).

should include the full and effective participation of indigenous peoples in the conservation and management of Andean forests, bodies of water and glaciers.

The institutional framework needed for the implementation of GCF projects and programmes at national level in Peru is still incomplete. MINAM (The Ministry of the Environment and former country NDA) adopted a Green Growth document that envisages engagement with the GCF only for private sector initiatives with no consideration of indigenous peoples, while the Ministry of Finance (MEF), as the current country NDA, has no track record or capacity to engage with indigenous peoples or carry out meaningful and effective consultations.

It should also be stressed that the leverage from the Green Climate Fund to the NDA and AE might be very limited, considering that the USD 300,000 readiness program has not yet been signed (and no effort was made to consult with indigenous peoples or disseminate information). While MEF and MINAM have signed an agreement to share pending GCF activities, little progress has been registered this far. All in all, the Ministries with whom indigenous peoples have dialogue (such as the Ministry of Culture – MINCULT) are not relevant for GCF policies. In the second workshop hosted by CHIRAPAQ, indigenous peoples organizations' primarily emphasized the need for MEF, in its current role as NDA, to adopt intercultural approaches to finance policies, given the limited power of MINCULT and MINAM on GFC-related matters. It should be pointed out, however, that there are still opportunities for indigenous peoples to engage in the Indigenous Peoples Working Group of the Ministry of Culture and the National Climate Change Commission.

The only project funded by the GCF in Peru and run by Profonampe provides evidence for the need for the GCF to clarify the standards to be applied in such projects, when a private entity managed by officials is involved. This situation poses—among others—significant challenges on the application and proper interpretation of Free Prior Informed Consent (FPIC) both by the Fund, the NDA, the Accredited Entity and the Implementing Entity. More broadly, indigenous peoples point to the state-centered design of GCF programs, limited dissemination of informa-

tion, and a bias towards the private sector, with the risk of funds being disbursed in absence of effective guarantees on indigenous peoples' rights.

The **Democratic Republic of Congo (DRC)** has obtained readiness funds from the GCF to support the strengthening of the NDA, to carry out consultations with stakeholders across DRC, and for the preparation of a country program as part of the framework for engagement with the Fund. The NDA selected for DRC is the Ministry of Climate Change and Development, while a National Coordination on GCF has also been established to ensure national coordination on the GCF, of whom the NDA is also a member. The Coordination sits in the Ministry of Environment, Nature Conservation and Sustainable Development, that is also in charge with indigenous peoples' issues and has developed a positive and open attitude towards indigenous peoples. In more recent times however, also due to the turnover in staff, the relationship between indigenous peoples and the National Coordination on GCF, initially good, has degraded, to the extent that indigenous peoples, in particular Pygmy indigenous peoples, feel they are excluded from the GCF process. Even more worrying, indigenous peoples denounce the almost total inaction by the NDA as far as awareness raising activities envisaged in the Readiness proposal are concerned. The Readiness grant was signed in January 2016 and funds have been disbursed, but the NDA has never invited or met with any indigenous peoples' delegation, nor was information shared. This attitude is somehow new, given that for many years, collaboration between indigenous peoples and those who had to manage national climate processes linked to the Ministry of Environment in DRC, such as REDD+, FIP, CAFI, GCF, have always been positive.

On a positive note, some of the GCF National Coordination members are still open to indigenous issues, however, the lack of experience of the National Coordination of the GCF and its coordinator (that is also the NDA) might raise serious concerns. On top of this, there is a registered lack of transparency and accountability, lack of communication, and involvement of stakeholders. It should be noted that the improvement of stakeholder engagement is one of the key deliverables expected by the GCF by the end of 2018. Furthermore, the National Coordina-

tion performance in information dissemination is also negative as well as the outputs registered this far, notably 3 activities since October 2016.

In **Vietnam**, the level of engagement of ethnic minorities in climate policies and programs is very low with the exception of REDD+ programs, evidently as a consequence of the involvement of UNREDD that does have high level standards and requirements for ethnic minorities' engagement and Free Prior Informed Consent (FPIC). As a matter of fact, all REDD+ projects do envisage FPIC but no FPIC is required for adaptation and mitigation projects. Direct access to finance for ethnic minorities is very limited, as are opportunities to access capacity building. In Vietnam, no climate-relevant institution (notably The Trust Fund for Forests, the Vietnam Environment Protection Fund, and the Vietnam Forest Protection and Development Fund) has provisions on ethnic minorities, or FPIC, or recognize the contribution of traditional knowledge. To add up, CSOs and local communities are not members of the GCF steering committee. It should be noted that Vietnam has not applied for a Readiness Preparation grant to the GCF. Moreover, the project funded by GCF on improving resilience of vulnerable coastal communities to climate change is characterized by the lack of participation of ethnic minorities and local communities in project design and the absent representation in project organizational structure giving them no chance to engage in the project. The same concerns apply to the Readiness Program: local communities and ethnic minorities have not been engaged and have not benefitted from awareness raising and information dissemination under the GCF Readiness preparation. There are also significant risks of gaps and inappropriate policies to secure full and effective participation of ethnic minorities and local communities, to deliver benefits to these, as well as risks of non-compliance with Social and Environmental Safeguards.

Kenya and Nicaragua represent a significant exception among the selected countries, in the sense that legislation and policies do recognize land rights, and customary ownership of land, traditional knowledge

as well as Free Prior Informed Consent. Nicaraguan legislation on land titling (law 28 and law 445), for instance, has allowed for the titling of 30% of the national territory to indigenous and Afro-descendant communities. **Kenya** also recognizes the need to improve direct access of indigenous peoples to climate finance and to actively engage and participate in decision-making. Indigenous peoples' organizations have therefore been able to directly access climate funds and mobilize other sources of funding. Furthermore, Kenya's country vision for the implementation of GCF projects does refer to human rights, indigenous peoples, biodiversity and cultural heritage. However, a significant gap is the absence of an Environmental and Social Management System (ESMS) at the national level, and, the NDA's (Ministry of Finance) lack of understanding of multi-stakeholder approach, especially with respect to the inclusion of indigenous peoples in consultation processes and has this far strained the proper implementation of the relevant project component of the UNDP/UNEP/WRI Readiness project.¹¹ Indigenous peoples are not represented in the three thematic areas envisaged by the NDA a) *devolved governance*, b) *climate smart agriculture environment and water to enhance adaptation and sustainable development*, c) *increase resilience of livestock and crop farming and strengthen vulnerability of communities and ecosystems*. The overall approach followed by the Ministry of Finance does not seem to reflect the country's recognition of the role and contribution of indigenous peoples, since it seems to be mostly focused on the need to enhance private sector involvement in climate financing. Readiness is therefore mostly meant as an opportunity to provide tools for leveraging public funds to attract private investments, while stakeholder engagement is only focused on supply-side of climate finance and less on climate change impacts and traditional knowledge. However, it should be noted that both NEMA (The National Environment Management Authority that is also the National Implementing Entity for the Adaptation Fund) and the Treasury have established a governance framework that ensures the inclusion of 3 observers of the Indigenous Peoples National Steering Committee (one of them being a representative of

¹¹ The Readiness preparation plan approved by the GCF included the following deliverables: Monitoring and Evaluation Framework, and Documentation on process of engagement of stakeholders. Among the goals: ensure transparency of GCF related processes and engage private sector, development partners, civil society and community beneficiaries.

the National Indigenous Peoples Steering Committee on Climate Change) in representation of indigenous peoples, and of the PanAfrican Climate Justice Alliance in representation of CSOs. **Another critical issue, similarly to what is registered in Peru, is that the participation of observers is not well-structured, their nomination is made without engagement of constituencies and will rely on the capacity of the observer to share information with their constituencies, on the basis of their own personal initiative.**

As regards indigenous peoples and local communities' awareness about the Green Climate Fund, this is very low in all countries covered in this report. In **Nicaragua**, there is a significant gap of knowledge of indigenous peoples and information at community level is insufficient on all topic related to the GCF. The same applies to **Peru**, where the dissemination of information at national level is ineffective, or **Vietnam** and **Kenya**, where indigenous peoples and local communities' understanding of the GCF is also very low. In **the Democratic Republic of Congo (DRC)** information dissemination has been lacking since the very beginning of the preparation and development of

the Readiness proposal and now in the implementation phase of Readiness.

The findings of the five country case studies, point to a situation of low if not non-existing compliance of selected countries' NDAs to the requirements listed in the *"Initial best-practice guidelines for the selection and establishment of national designated authorities and focal points"*¹² most notably those related to stakeholder consultation and engagement and access to information. The findings of the five case studies show that the NDAs in the selected countries have not yet shown adequate capacity to coordinate *"multistakeholder"* engagement for country consultations, in particular as regards indigenous peoples. Furthermore, the NDAs in the selected countries have not provided key information for dissemination, be it in national or local languages this far. Indigenous peoples' organizations are therefore not informed on what is the Green Climate Fund, how it works, and of the key operational procedures of the Fund including environmental and social safeguards. This situation needs to be urgently addressed and resolved.

¹² Initial best-practice guidelines for the selection and establishment of national designated authorities and focal points" (GCF/B.08/45, Annex XIII, page 89). These also specify the nature and modalities of a consultative process that: *"should aim to be an ongoing process rather than a discrete activity only occurring once without the possibility of follow up, continuous update and regular assessment of progress. 6. These consultative processes should be inclusive and seek to engage all relevant actors within the government, the private sector, academia, civil society and other relevant stakeholder groups or sectors."*

General Recommendations and Proposals

Byond the specific focus on selected countries, the shortcomings and challenges identified in these country analyses further confirm **the urgent need for the GCF to adopt an Indigenous Peoples policy, as well as to carry out an independent assessment and evaluation of the Readiness programs financed this far.** The findings of this report are also offered as a contribution to define the Terms of Reference (ToRs) and the scope of the independent assessment, whose purpose—among others—should be that of providing the elements needed for the development of a GCF toolkit on best-practice country coordination experiences, to help NDAs/FPs move beyond the broad guidelines established by the Board under country ownership.

The Indigenous Peoples' Policy, once adopted, will be very relevant to inform and guide NDAs, and provide significant opportunities for NDAs to improve their performance in terms of engagement of indigenous peoples, compliance with the Fund's Environmental and Social Safeguards, REDD+ policies, and international standards and norms on indigenous peoples' rights, and the active contribution of indigenous peoples' traditional knowledge and livelihoods to the Fund's stated goals.

Furthermore, the Environmental and Social Management System, also to be adopted in the coming months, will also contribute to the improvement of stakeholder engagement by developing and adopting guidelines on stakeholder engagement that would also provide indication for the NDAs on how to engage and for the GCF Secretariat and Board on how to assess the quality of engagement. Such guidelines should be culturally appropriate and based on best practice standards and procedures, in particular as regards participation, consultation and access to information for indigenous peoples.

As previously noted, Readiness programs are not only supported by the GCF, but countries can also apply to other bilateral and multilateral donors for support. It is therefore important also that these donors take due account of the findings and recommendations of this report and ensure a common approach to those readiness components that are relevant to indigenous peoples. Such common approach—in terms of support and capacity-building activities, engagement of indigenous peoples at all levels and identification of modalities for direct access to finance through the NDA—should be aligned to international best practice and internationally recognized standards for indigenous peoples' rights, full and effective consultation and engagement.

In order to do so, NDAs, AEs, and IEs, should be required to ensure the full and effective participation of indigenous peoples and local communities in policies, programmes and projects that can potentially affect them—positively or negatively—or infringe their rights and ability to sustain their way of living. **To that purpose the Green Climate Fund should develop and adopt specific standards and criteria on the engagement of indigenous peoples and local communities in the Indigenous Peoples' Policy, the Environmental and Social Management System and in REDD+ relevant policies.** In addition, an Operational Guidance or Toolkit on Free Prior Informed Consent should be developed and adopted.

These criteria and practices should be applied by NDAs and AEs to ensure the meaningful participation of indigenous peoples and affected communities in social and environmental impact assessments. NDAs should develop an Indigenous Peoples Engagement Plan with the support of the GCF and possibly with capacities acquired or consolidated in Readiness Preparation Programs. **An Indigenous Peoples and**

Local Communities' specific component of Readiness, under the stakeholder engagement area, should be adopted, with the goal of supporting the NDA and NIE capacity to identify strategies and modalities to ensure indigenous peoples' sustained engagement and effective participation, including full disclosure of information as well as meaningful consultation and informed participation process and Free Prior Informed Consent. Accordingly, NDAs would be expected to report on modalities and effectiveness of their outreach and consultations activities towards indigenous peoples.

The GCF and other donors, should identify and offer support to **specific capacity building programs for indigenous peoples to ensure their full and effective engagement with GCF at all levels, from NDAs to IEs**, for activities related – among others – to consultation, advocacy, institutional building and engagement in formulation of project proposals and monitoring and evaluation. Capacity building and training opportunities should be offered for NDAs, AEs and NIEs as well as the GCF Secretariat, to enhance understanding of indigenous peoples' rights, the Indigenous Peoples' policy, and to improve the capacity to comply with international standards and obligations on the rights of indigenous peoples. These components could be envisaged in Readiness programs, the preparation of concept notes for the NDAs, and proposals by NIEs, in full consultation with indigenous peoples.

Indicators to monitor and assess the quality of engagement – both qualitative and quantitative – of NDAs/focal points and accredited entities with indigenous peoples, local communities, women, and civil society should be developed and adopted.

The GCF—together with other donors supporting Readiness and Preparation programs—should develop a toolkit on best practice country coordination experiences building up on similar procedures—such as the CCM (Country Coordination Mechanism) of the Global Fund to Fight AIDS, Tuberculosis and Malaria—and allow NDAs to further expand and integrate the broad and discretionary guidelines for country ownership adopted by the Board. Information on GCF, NDAs and Focal points and accredited entities should be made available in-country with ample time and in local languages. Performance indicators to assess effectiveness and quality of engagement of indigenous peoples and local communities should also be developed to allow for independent monitoring and feedback.

The GCF should also commit to ensure the active participation of stakeholders in the coming structured dialogues, since this far this has been insufficient. Stakeholders should be proactively approached at the country level and representatives nominated to participate in structured dialogues.

Parallel to the Independent Evaluation of the Readiness and Preparation Plans **the GCF should convene a workshop/dialogue on stakeholder engagement, (in particular, CSOs, local communities, indigenous peoples, and affected groups) in Readiness, that would also inform the Independent Evaluation.** Such evaluation should also aim at assessing the degree of NDA's engagement, outreach and information dissemination to relevant stakeholders, as well as assess the quality and effectiveness of Structured Dialogues. Specific Terms of Reference for the Independent Evaluation need to be adopted for this purpose.

Conclusions

The discrepancies registered in some countries (in this study) between existing legislation on indigenous peoples and the capacity of NDAs and AEs to properly understand, own and fulfil obligations related to indigenous peoples, (in some instances the absolute lack of recognition of indigenous peoples rights in national legal systems) and their lack of awareness and low level of information on the GCF, pose significant challenges. If unaddressed, these would significantly jeopardize the potential opportunities deriving from indigenous peoples' engagement in the GCF activities and programs at the national level as well as the capacity of the GCF to fully acknowledge and facilitate the effective positive contribution of indigenous peoples in the pursuit of its transformational goals for mitigation and adaptation, as well as guarantee full compliance to its Social and Environmental Safeguards.

More generally, if intended in its stricter sense, country ownership—where loopholes and gaps in institutional frameworks, different policies of implementing and donor entities, different NDAs, and different legal systems and degree of recognition of indigenous peoples' rights are present—will risk creating a situation of fragmentation and selectivity in the degree of implementation of international standards and criteria on indigenous peoples' rights. This fragmented situation, and the registered gap between legal recognition of rights and the effective implementation and application of the same at the NDA country level, further substantiate the need for an Indigenous Peoples' policy and specific guidance on engagement and participation of stakeholders with a specific focus on indigenous peoples. By doing so, the GCF could ensure a level playing field among NDAs in the proper and effective engagement of indigenous peoples and local communities, thereby ensuring coherence and effectiveness in the pursuit of the innovative and transformative approaches underlying the Fund's vision.

Box 1 | Questionnaire for Country Research

Provide a national picture of your country policies on climate and climate-related funds

What structure of the government is responsible to deal on climate and climate-related funds? How does the national structure look like? How are indigenous peoples visible or present in these structures?

How has your country received climate related funds (aside from GCF)? What fund has been accessed and received by your government? How much has been received by the government from what climate fund? Describe projects funded by these funds and how they have impacted/affected/benefitted indigenous peoples so far.

A. Green Climate Fund

1. NDA: who and how was the NDA selected? What policy, structure, mechanism is in place to support NDA function for GCF if any? What doors are open for indigenous peoples' engagement with the NDA? Or if you are already engaged, describe nature of engagement with NDA;
2. Readiness: Describe the readiness program of your country to the GCF. How do you describe transparency and accountability in the process of coming up with the proposal? What activities are proposed? How/what would these activities affect indigenous peoples as described in the proposal? How were indigenous peoples consulted? What is the status of readiness phase now? What about engagement of women and children?
3. Perspectives of Indigenous Peoples: So far, what have indigenous peoples known about GCF? How have indigenous peoples organizations and/or NGOs been informed/engaged in the GCF process at the national/regional level? Elaborate how indigenous peoples can be engaged at the local and national level, what mechanisms should be in place?

B. Challenges and opportunities

Describe the perceived/potential challenges or issues in terms of readiness of the country to access funds from the GCF. What are issues related to indigenous peoples that should be addressed? What safeguards should be in place at the national level? What are the avenues or opportunities for indigenous peoples to engage in? What can indigenous peoples contribute to the GCF? What do they envision to get back in return?

Box 2

Readiness Activities and GCF Projects in Selected Countries (approved or in the pipeline)

PERU

Readiness Preparation program not signed yet
http://www.greenclimate.fund/documents/20182/466992/Readiness_proposal_-_Peru.pdf/c9a4b106-b607-4941-af42-e9eb3000e8bf

Building the resilience of wetlands in the province of Datem del Maranon
http://www.greenclimate.fund/documents/20182/87610/GCF_B.11_04_ADD.01_-_Funding_proposal_package_for_FP001.pdf/f9929dbf-089c-48fd-bdb1-7e0e46388fef

KENYA

UNDP/UNEP/WRI Readiness preparation program
<http://www.gcfreadinessprogramme.org/kenya-gcf-readiness-programme>

UNIVERSAL GREEN ENERGY ACCESS PROGRAM – total 50.6 million in Kenya, Benin, Namibia, Nigeria, United Republic of Tanzania) - Funding to accredited entities: Acumen Fund, Kawi-Safi Venture Fund via venture capital (USD 100m) and Technical Assistance (USD 10m) to support Solar- offgrid and biomass project- Three projects in the pipeline: Mwache Water Project, Silali and Mengai, and Solar Energy Off Grid
<http://www.greenclimate.fund/-/universal-green-energy-access-programme?inheritRedirect=true&redirect=%2Fprojects%2Fbrowse-projects>

GEEREF NeXt – Total project investment 765.0 million, IE European Investment Bank – multiple countries including Kenya
<http://www.greenclimate.fund/-/geeref-next?inheritRedirect=true&redirect=%2Fprojects%2Fbrowse-projects>

VIETNAM

NDA strengthening and country programme Readiness, UNDP, 300,000 USD (in the pipeline)

Improving the resilience of vulnerable coastal communities to climate change related impacts in Viet Nam 40.5 million USD
http://www.greenclimate.fund/documents/20182/226888/GCF_B.13_16_Add.05_-_Funding_proposal_package_for_FP013.pdf/c06ab9c0-5109-4a33-aba4-608973d010ab

DEMOCRATIC REPUBLIC OF CONGO

Readiness Preparation Programme – USD 300,000 approved in 2015
http://www.greenclimate.fund/documents/20182/466969/Readiness_grant_agreement_-_Democratic_Republic_of_Congo.pdf/88315b2c-023f-45b7-82db-98e44e7e0a4f

GEEREF NeXt – Total project investment 765.0 million, IE European Investment Bank – multiple countries including DRC
<http://www.greenclimate.fund/-/geeref-next?inheritRedirect=true&redirect=%2Fprojects%2Fbrowse-projects>

NICARAGUA

Readiness Preparation Program for Central America and Bolivia (that includes Nicaragua) supported by the Interamerican Development Bank and the Nordic Development Fund
<http://www.iadb.org/en/projects/project-description-title,1303.html?id=RG-X1255>

Box 3 | **Table: Examples of country legislation and other instruments and policies relevant for indigenous peoples and the green climate fund in selected countries, climate funds and/or sources of climate finance**

NICARAGUA

COUNTRY LEGISLATION AND OTHER INSTRUMENTS AND POLICIES RELEVANT FOR INDIGENOUS PEOPLES AND THE GREEN CLIMATE FUND

Article 2 and article 52 of the Constitution supports the right to participation

Law 475 on citizen participation

Law 621 on access to public information

Law 28 or Statute of Autonomy of the Regions of the Coast of Nicaragua

Law 445 Law on Community Property Regime for Indigenous Peoples; Afro-Descendants and Ethic Communities of the Autonomous Regions of the Coast of Nicaragua and the Coco, Indio and Maiz Rivers

Law 462 on forest conservation

Law 765 on organic agriculture

Law 217 on Natural Resources and the Environment

National Environmental and Climate Strategy and Related Plan of Action (2010-2015)

Legal Framework for REDD+

CLIMATE FUNDS AND/OR SOURCES OF CLIMATE FINANCE: BCIE, Korea EximBank, Interamerican Development Bank, the World Bank, IFAD; OPEP Fund for International Development, CIDA; SIDA, COSUDE, Nordic Fund, UNICEF, UNFPA, GFEF, bilateral aid from Germany, Austria, Brazil, Canada, South Korea, Spain, Iceland, Japan, Norway, UNDP, European Union, Kreditanstalt fuer Wiederaufbau (KfW)

VIETNAM

COUNTRY LEGISLATION AND OTHER INSTRUMENTS AND POLICIES RELEVANT FOR INDIGENOUS PEOPLES AND THE GREEN CLIMATE FUND

Law on promulgation of legal documents and specific provisions on citizens' engagement (2015) other relevant legal documents (see annex 2 on the chapter on Vietnam case study)

CLIMATE FUNDS AND/OR SOURCES OF CLIMATE FINANCE : Trust Fund for Forests (TFF), Vietnam Environment Protection Fund (VEPF), Forest Protection and Development Fund (VNFF), Green Growth Strategy Facility (GGSF), Green Credit Trust Fund (GCTF), Vietnam REDD+ Fund (VRF)

DEMOCRATIC REPUBLIC OF CONGO (DRC)

COUNTRY LEGISLATION AND OTHER INSTRUMENTS AND POLICIES RELEVANT FOR INDIGENOUS PEOPLES AND THE GREEN CLIMATE FUND

Law 11/009 Environmental Protection Law

Law 14/011 Electricity Sector Law

Law 011/2002 Forest Code

Law 007/2002 Mining Code

Law 11/022 Agricultural Code

Law 15/012 Hydrocarbons Code

Law 14/003 Nature Conservation

National Environmental Action Plan
National Adaptation Program of Action on Climate Change
National Adaptation Plan – Global Support Program (NAP-GSP)
National Plan for Disaster Risk Reduction
Poverty Reduction and Growth Strategy Paper – 2

CLIMATE FUNDS AND/OR SOURCES OF CLIMATE FINANCE : GCF Readiness Grant, Integrated REDD+ Project in the Mbuji-May, Kananga and Kishangani Basins (African Development Bank) Forest-Dependent Communities support project (Dedicated Grant Mechanism, International Bank for Reconstruction and Development IBRD), Improved forested landscape management project (IFLMP) - IBRD, REDD-Readiness RPP - UNREDD-IBRD, Climate Investment Fund (CIF) Fund for Improvement of Emissions' Reduction (the World Bank), Forest Investment Program (FIP) for Indigenous Peoples and Local Communities (Climate Investment Funds - CIF)
Supporting Integrated Climate Strategies /NAPA (UNDP – GEF)

PERU

COUNTRY LEGISLATION AND OTHER INSTRUMENTS AND POLICIES RELEVANT FOR INDIGENOUS PEOPLES AND THE GREEN CLIMATE FUND

Ley 26821 Ley Organica para el Aprovechamiento Sostenible de Recursos Naturales
Ley 28611 Ley General del Ambiente
Ley de Consulta Previa 2011
Constitucion 1993 articulo 2
Politica de Recursos Hidricos (ANA)
Resolución Ministerial N° 203-2016-MINAM

KENYA

COUNTRY LEGISLATION AND OTHER INSTRUMENTS AND POLICIES RELEVANT FOR INDIGENOUS PEOPLES AND THE GREEN CLIMATE FUND

Constitution 2010
Vision 2030
Climate Change Act 2016
Environmental Management and Coordination Act, 1999
Protection of Traditional Knowledge and Cultural Expressions Act, 2016
Kenya Climate Change Response Strategy 2010
1st and 2nd National Communication on Climate (2002/2009)
National Disaster Policy
National Policy for the Sustainable Development of Northern Kenya and other arid lands (2012)
National Guidelines for Stakeholder Engagement and Free Prior Informed Consent
Consultation and Participation Plan for REDD+

CLIMATE FUNDS AND/OR SOURCES OF CLIMATE FINANCE: Global Environment Facility, African Development Bank, European Union, Forest Carbon Partnership Facility, USAID, UNDP, DFID, SIDA, KFW, International Finance Corporation, JICA, DANIDA