



P O L I C Y B R I E F

The new environmental and social safeguards: The position of the Indigenous Peoples Advocacy Team



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Green Climate Fund
GCF
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General description

The Governing Instrument of the Green Climate Fund (GCF), in its chapter X, establishes that "the Board of Directors will agree on and adopt environmental and social safeguards of best practices, which will be applied to all programs and projects financed with the Fund's resources."

At its seventh meeting in May 2014, the Board adopted the Performance Standards for Environmental and Social Sustainability of the International Finance Corporation (IFC) Performance Standards as the interim Environmental and Social Safeguards of the GCF. The interim ESS was to be used by the GCF until the GCF-specific ESS was fully developed.

The initial guidance framework for the GCF accreditation process states that, in relation to the development of the GCF ESS, once the GCF has accumulated a history of experience and lessons learned, an in-depth review will take place.

The process is that the GCF must establish a balance without contradictions between the Indigenous Peoples Policy, the Gender Policy and the Environmental and Social Policy, specifically considering the safeguards (ESS) in order to ensure that the climate financing that this organization grants, does not harm Indigenous and local communities or ecosystems.

With the three aforementioned Policies, the GCF ensures standards that include, in a coordinated and comprehensive manner the following: equitable management of environmental and social risks; the importance of fully and effectively involving Indigenous peoples in the design, development and implementation of strategies and activities; and incorporation of the the gender perspective from the beginning of its operations as an essential element of decision-making for the deployment of its resources.

An important aspect to mention—and that should not be overlooked—is that, although it is true that the GCF is responsible for ensuring that these policies are reflected in the concept notes and proposals for financing and action plans, the AE is directly responsible for implementing them in the country level

In this sense, Indigenous Peoples Organizations (IPOs) are interested and wish to accompany the development of the discussions on the in-depth review of the ESS, in order to ensure the rights of Indigenous Peoples. In this document, we intend to develop annotations on the ESS as a contribution to the in-depth review process.

Environmental and Social Management System

The GCF Environmental and Social Policy¹ is an essential element of this system, demonstrating the GCF's commitment to integrating environmental and social issues into its decision-making and evaluating outcomes, and establishing the principles, requirements, and responsibilities for meeting these commitments. For Indigenous Peoples, this process represents the opportunity to ensure our political position vis-à-vis the development of GCF ESS and to strengthen the implementation of the Cancun and Paris Agreements.

The implementation of the GCF's Environmental and Social Management System (ESMS) is made up of processes and procedures that must be in full accordance with the ESS, in such a way as to ensure not only to avoid damage, but also to improve the environmental and social performance of the GCF and the activities it funds on a consistent basis over time.

Environmental and Social Safeguards and other GCF's policies²

Climate change and risks:

Climate Change is a topic of great interest to Indigenous Peoples and we see that it has been incorporated into the ESS standards of the organizations analyzed in a wide spectrum. We would like to see Indigenous Peoples' traditional knowledge and practices recognized and respected in order to align with international good practice on climate testing and integrating climate considerations into projects and programming.

The inclusion of aspects or categories of risks related to adaptation and disaster risk assessment and management, pollution prevention and management, the issue of climate justice, and involuntary resettlement, among others seems correct to us.

We believe that there is a broad and robust framework of experiences in the climate finance system that can serve as a starting point to position GCF's revised approach in line with its ambitions and mandate.

Gender:

GCF establishes the general Environmental and Social Policy (hereinafter, Policy) that articulates and integrates environmental and social considerations in its decision-making and operations in such a way that the said Policy allows the GCF to effectively manage environmental and social risks and impacts and improve the results regarding gender and Indigenous Peoples.

Regarding gender and Indigenous Peoples considerations, the revised Environmental and Social Policy points to a strong need for broad support from and participation of all

¹ This document is as adopted by the Board and contained in annex X to decision B.19/10, paragraph (b). Already before, the policy was sent to the Board for consideration as a proposed decision without a Board meeting in document GCF/BM-2021/17 titled "Revisions to the Green Climate Fund's Environmental and Social Policy to reaffirm the Fund's commitment to addressing Sexual Exploitation, Sexual Abuse, and Sexual Harassment" and the also in B.BM-2021/18.

² Este documento captura la política adoptada por la Junta en la decisión B.BM-2021/19 – 10, párrafo (b).

stakeholders throughout the lifecycle of GCF-funded activities, including the development of measures to mitigate, manage and monitor environmental and social risks and impacts. It also notes that the process for generating support will be inclusive, gender sensitive and culturally aware, and will be supported by the disclosure of relevant information in accordance with the GCF Information Disclosure Policy.

The revised Policy indicates that the activities of projects financed by the GCF are evaluated, to detect any potential adverse impact on the promotion, protection and respect of gender equality in accordance with the GCF Gender Policy and Action Plan and in compliance with national laws and/or international obligations of the country, through a comprehensive assessment of gender risks and impacts.

It is important to note that at the entity level, the revised Policy establishes the requirements for accredited entities (AEs) to establish and maintain robust, systematic, accountable, inclusive, gender-responsive, participatory, and transparent systems for managing risks and impacts of activities financed by the GCF.

Specific topics on environmental and social safeguards and Indigenous Peoples

PS1. Identification and management of E&S issues

Nothing to comment, the new safeguards seem well on the way.

PS2. Labour and working conditions

For these cases, it is requested to, at the very least, ensure that women have the same salary as men when they perform the same type of work and that decent working conditions are created, as well as creating conditions that facilitate equality. For example, for women, especially single mothers, all projects must create conditions for daycare centers so that they can work in peace.

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Regarding gender and Indigenous Peoples considerations, the revised Environmental and Social Policy points to a strong need for broad support from and participation of all stakeholders throughout the lifecycle of GCF-funded activities, including the development of measures to mitigate, manage and monitor environmental and social risks and impacts. It also notes that the process for generating support will be inclusive, gender sensitive and culturally aware, and will be supported by the

disclosure of relevant information in accordance with the GCF Information Disclosure Policy.

The revised Policy indicates that the activities of projects financed by the GCF are evaluated, to detect any potential adverse impact on the promotion, protection and respect of gender equality in accordance with the GCF Gender Policy and Action Plan and in compliance with national laws and/or international obligations of the country, through a comprehensive assessment of gender risks and impacts.

At the entity level, the revised policy establishes the requirements for AEs to establish and maintain solid, systematic, responsible, inclusive, gender-sensitive, participatory and transparent systems to manage the risks and impacts of the activities financed by the GCF.

PS3. Resource efficiency and pollution prevention

The point expressed in the second paragraph is elementary. There must be a contribution from the projects based on national commitments. Regarding the first paragraph, it is not just about determining water balances but, as a mitigation measure, water basins must be protected. There are multiple ways to do this and they are based on ancestral knowledge and practices.

PS4. Community health, safety, and security

The issue of biosafety against COVID and other contagious diseases is a relatively new issue that must be addressed from a moral and ethical perspective. As in other situations, indigenous peoples have generated their own biosecurity measures, which could be strengthened by budget allocations in GCF projects.

Disaster risk management, dam safety, are just as important as the risks caused by the pandemic and perhaps even more devastating in some places. After all, everything turns out to be related to human rights so often violated by the States themselves. We need to have an integrated vision of human rights, environment and development.

PS5. land acquisition and involuntary resettlement

Land or new settlement sites should definitely have low risk exposure indices. It is not right to move from one high-risk area to another.

The institutions and programs that involve land demarcation and titling must be strengthened so that acquisition procedures are carried out in a transparent manner.

In no way should the invaders receive compensation. That would be promoting illegal occupations. If there are lands already titled to Indigenous Peoples, and if these have issues of invasions by third parties, there should be a tripartite agreement between the government, the GCF and the Indigenous Peoples to contemplate the possibilities of territorial regulation.

Consultation processes and the achievement of FPIC is a sine qua non condition prior to any relocation of Indigenous communities.

PS6. Biodiversity conservation and sustainable management of living natural resources

This issue of safeguards for the protection of biodiversity is commonly overlooked by many stakeholders and is not properly evaluated prior to the execution of projects. It is common that mitigation measures for projects with the potential to adversely affect internationally recognized areas and legally protected areas are not carried out. This is a commonly violated topic. One option is to facilitate the involvement of Indigenous Peoples in the definition of mitigation measures. To a large extent, the problem of protection of biodiversity is due to the confrontation of the same national laws that oppose each other. Economic interests are valued over the interests of nature.

PS7. Indigenous peoples

We agree that the GCF Indigenous Peoples Policy represents a progressive, detailed and comprehensive position on the issue of Indigenous Peoples' rights in general and on the FPIC specifically. The GCF has a very clear mandate (policy) in this regard.

It should be noted that these legal obligations are provided in international and national frameworks that all projects financed by the GCF must respect.

The issue of obtaining legal status by Indigenous organizations has been a serious problem at the global level and seeing it from the perspective of climate fund access, it has been a strong obstacle. The GCF, like most financial institutions, demands great technical, administrative, financial, and logistical requirements that most Indigenous organizations cannot meet.

Well... more than... in consultation..., it should be with the full and effective participation of Indigenous Peoples, as established in the United Nations Declaration on the Rights of Indigenous Peoples. Beyond the consultation, the mandatory due process must be specified to achieve free, prior and informed consent.

It is important to point out that the GCF's Indigenous Peoples Policy establishes that Indigenous Peoples must participate in each of the phases of the project cycle, from project design to final evaluation, which has great advantages for all parties.

PS8. Cultural heritage

Same comment from the previous item.
