

Local actors ready to act:

Six proposals to improve their
access to the Green Climate Fund



COLOPHON

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Cover: Women farmers in Bangladesh. (Photo Both ENDS)

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INTRODUCTION

Land degradation is one of the greatest threats for millions of people in the dry rural areas of the Sahel. Since the 1980s, male and female farmers in the South of Niger have been restoring the fertility of their land using a forgotten traditional method. The farmers make use of the dormant ‘underground forest’ of seeds, roots, and tree stumps still present in the soil. Shoots that spontaneously spring up are protected from cattle and tree felling, and special pruning methods are used to encourage their rapid growth. The matured trees offer protective buffers against sandstorms and erosion, and provide shade, fertiliser, cattle feed, and tree products. Improved soil fertility and rising water tables even allow for food crops to be cultivated between the trees.

Known as Farmer Managed Natural Regeneration (FMNR), the method has proved to be a very effective, cheap and easily-applied adaptation and mitigation measure. By means of several small grants spread over a period of seven years, Both ENDS and its partner in Niger have supported farmers to regenerate their land, and help others to do the same. Eighty villages have since adopted the traditional agroforestry method and 11,000 hectares of land are currently regaining their fertility. The small grants acted as seed money and helped leverage larger grants from private foundations. The approach is now being scaled-up and applied in other municipalities in Niger, Burkina Faso and Senegal.

Similar local initiatives can be found around the world. In Paraguay, the local organisation Guaraní Women from Macharety-Laguna Negra is implementing a project focused on rainwater harvesting through *aljibes*, an ancient method to save water. The organisation, which received a small grant from the women’s fund Fondo de Mujeres del Sur, has built 14 *aljibes*, benefiting 43 families. Besides providing a solution for the problems faced by the community, the women are mobilising their

community to secure additional resources and to engage in dialogue with local authorities to demand they take a proactive role in addressing the impacts of climate change.

Local initiatives like these help people – and the environment on which their livelihoods depend – to adapt to climate shocks and changes. Women are often at the forefront of these solutions, protecting and restoring their environment and increasing their communities’ resilience while making use of their right to actively

participate in the issues that affect them individually and collectively.

Unfortunately, local climate action is grossly underfunded (see box). The vast majority of climate finance tends to be channelled to large financial institutions focusing on large-scale projects that do not necessarily build upon or support – and often even counteract — local efforts. The role of local actors in climate finance decision-making processes is often very limited.

Several solutions have been or are being proposed to increase access of local actors to climate funds, and ensure accessible, gender-responsive climate finance decision-making processes. These proposals range from setting up small grants facilities to a complete revision of the operations and results framework of climate funds.

Six specific proposals are described in this concise booklet.¹ The proposals focus on the Green Climate Fund (GCF)

Imbalance in current flow of climate finance

Research shows that **less than 10%** of the \$17.4 billion in climate finance committed (2003-2016) by international climate funds was **prioritised for the local level**.² A similarly worrisome imbalance can already be seen in the Green Climate Fund. Since becoming operational in 2015, the GCF has accredited 59 entities and approved 76 projects and programmes. Of these 59 entities, **only 36% are national or subnational entities**. The vast majority of accreditations (the remaining 64%) are traditional regional and international agencies and financial intermediaries, mainly UN institutions like the Food and Agriculture Organisation (FAO) and bilateral, regional, and multilateral development banks like the World Bank and European Investment Bank. A review of the current portfolio by access modality reveals that **75% of the projects are implemented through international entities**, 8% by regional and only 17% by national entities.

Source: <https://www.greenclimate.fund/how-we-work/tools/entity-directory>

and include concrete recommendations for the GCF Board, Secretariat, and other relevant decision-makers. Yet they are all relevant to climate finance in general. The booklet is meant to stimulate more and deeper debate on the crucial role local actors play in the transformative change needed to deal with global climate change.

Proposals 1 to 3 focus on ways to enhance access of local actors to GCF funds, both directly and indirectly. Proposals 4-6 describe ways to ensure that local actors are actively involved in national and GCF-level decision-making processes, from the design phase to monitoring, evaluation, and grievance redress. Ensuring gender responsiveness is a key focus in all six proposals.

Climate funds should be a catalyst for transformative change. Real transformation requires openness to new solutions, acceptance of some risk, and addressing sensitive and often uneven power relations.

Building on existing climate action and decentralised decision-making processes within countries is key. So too is accountability. Each chapter in this booklet proposes ways to do this. They show that a paradigm shift is needed in the way decisions are made and impact is measured.

The GCF is not just a financial investor, it is a mechanism to support the implementation of global climate commitments under the UN Framework Convention on Climate Change, including the legal requirement of developed countries (the historic drivers of climate change) to provide finance for developing countries to support climate action. It is tasked with addressing one of the most urgent challenges of our time. It has the opportunity to actively prioritise transformative action and look at long-term, sustainable impact at various levels, building on the vast knowledge and initiatives of local actors all over the world.

1 This booklet follows up on the 2013 publication, *Local actors ready to act: 6 views on how the Green Climate Fund could reach them*, Both ENDS http://www.bothends.org/uploaded_files/document/Local_actors_ready_to_act.pdf

2 <http://pubs.iied.org/pdfs/10178IIED.pdf>
Delivering real change: Getting international climate finance to the local level



Rainwater harvesting by Guaraní woman, Paraguay. (Photo Guaraní Women from Macharety-Laguna Negra)

EXECUTIVE SUMMARY

Climate change is a global phenomenon, but its impact is felt locally. People, government institutions, women's groups, grassroots organisations and small businesses operating at the local level not only directly experience the on-the-ground effects of climate change, they are also key contributors to context-specific, effective, and sustainable climate actions. It is therefore essential to ensure these actors play an active role in the development and implementation of climate initiatives and that they can directly access climate finance. The six proposals in this booklet provide concrete recommendations towards the Board of the Green Climate Fund, the Secretariat, and relevant decision-makers to enhance access of local actors to the GCF funds, and to ensure they are actively involved in GCF and country-level decision-making processes.

Enhanced access to funding by local actors

The Enhanced Direct Access (EDA) modality is one of the distinctive features of the GCF. It enables national entities to make independent funding decisions and has the potential to devolve funding and decision-making to the local level. Unfortunately, the modality is still only a small pilot



Traditional land restoration technique in Niger. (Photo Both ENDS)

program. Active promotion of the EDA modality and local capacity development support is needed to make the EDA pilot a success and ensure it becomes a permanent access modality under the GCF (proposal 1). Guidelines and best practices can help direct access entities to elaborate inclusive proposals in which devolvement of decision-making to the local level is a key factor.

The complex and time-consuming accreditation process of the GCF is an obstacle in its own right. Smaller entities like subnational and non-state actors have less capacity than large international institutions to meet the stringent requirements and criteria of the Fund. To provide real 'fit-for-purpose' accreditation, the GCF should differentiate the accreditation categories further by providing flexibility and support to smaller entities in the accreditation process (proposal 2). At the same time, the GCF can actively stimulate larger international entities to enhance local engagement in their programmes, fulfil their required mentoring role toward potential new direct access entities, and channel smaller amounts of funding to the local level.

In fact, an innovative financial infrastructure set up explicitly to channel big money in smaller amounts to local civil society actors already exists. A large number of well-established regional and national small grants funds are providing flexible small grants for local initiatives. They can provide a perfect bridge between the GCF and the people and groups directly addressing climate impacts. The GCF can make use of this existing infrastructure and actively reach out

to and promote small grants funds (proposal 3) and eliminate obstacles to their accreditation.

Enhanced access of local actors to decision-making

The GCF Governing Instrument established that country ownership and a country-driven approach are core principles of the GCF. For GCF project proposal development, stakeholder engagement and consultation are mandatory. But when countries shape their national priorities and plans for the GCF, they are only bound to 'best practice guidance'. To assure inclusive, gender-responsive decision-making processes, the GCF Board should provide mandatory guidelines and direct support for National Designated Authorities to facilitate comprehensive multi stakeholder dialogues (proposal 4).

Communication between the GCF and the local actors is needed to ensure that the wisdom, initiatives, and needs of local actors are shared with the GCF and to guarantee local and gender-responsive financing, accountability, and transparency. Yet there are no official channels or mechanisms supporting such communication. At their own initiative, CSOs have stepped in to fill the gap. The GCF should acknowledge and actively support CSOs to play their vital and indispensable role in bridging communication between the GCF and local actors (proposal 5).

The GCF funds projects and programmes which may have far reaching social, environmental and gender and human rights impacts. Avoiding and adequately

addressing such adverse effects requires a well-functioning grievance and accountability system which offers low threshold access of, and accommodates the needs and intake of feedback by, affected local stakeholders, women in particular (proposal 6). The GCF's Independent Redress Mechanism is currently in its infancy. Steps must be taken to ensure that it is inclusive and gender-responsive, and can effectively signal and prevent problems during the design and implementation phase of GCF projects and programmes. Local actors are keen to play their crucial role in implementing, supporting, and promoting effective and sustainable measures to adapt to and mitigate climate change and to be key protagonists of the transformational change the GCF aims to support. Taking up the proposals in this booklet will not only help them play this role effectively, but also help the GCF to live up to its own mandate and objectives to support transformative and sustainable actions to address global climate change.

PROPOSAL 1

PROMOTE AND SUPPORT ENHANCED DIRECT ACCESS

The Enhanced Direct Access modality (EDA) is probably the most distinctive feature of the Green Climate Fund.³ EDA is meant to ensure that more multilateral climate finance addresses national and, ideally, subnational and local-level priorities by enabling national 'direct access' entities to make independent funding decisions and pass on GCF funding in smaller tranches. The GCF has made an initial allocation of \$200 million to support at least 10 EDA pilot projects. So far only two projects have been approved: the first in Namibia and, recently, the second in Antigua and Barbuda.

Active promotion and local capacity development support is needed to make EDA a success and ensure that climate finance reaches the local level. The EDA approach of devolving funding and decision-making from the international to the national and local level has the potential to be upscaled to become a primary access modality. Such an approach would help ensure that the needs of the poorest people – those most vulnerable to climate change – are at the forefront of climate finance.

OBSTACLES

Before talking about the EDA's problems or hurdles, Raju Pandit Chhetri from the Prakriti Resources Centre in Nepal (see box) must emphasise 'what a beautiful concept' it is to allow developing countries to set their own priorities and implement their own plans. 'We fought long and hard to put this modality in place,' he explains. 'It is, however, also a new concept.' Pandit Chhetri observes that a shift in thinking is needed to devolve decision-making from the international to the national level. 'All parties have to break with years and years of habit in which developing countries were waiting for help, while international entities were in charge.'

A comparable hurdle can be seen in devolution of decision-making from the national to the local level. Anju



Community consultations in Nepal. (Photo Prakriti Resources Centre)

Sharma, Director at Oxford Climate Policy, which is currently encouraging national entities to develop ambitious EDA programmes, explains: 'If you ask a technocrat to provide advice to a local community for developing a plan, the tendency is for the expert to take over and write the plan.'

Although the concept of devolution is gaining popularity on the ground, there are still many obstacles to overcome. 'In many countries,' Sharma explains, 'the National Designated Authority (NDA)⁴ is the Ministry of Environment and Forest. Historically – but erroneously – these ministries have tended to view local communities, particularly poor communities that rely on forests, as part of their problem. They were to be kept from destroying the environment through fences and policies.... It is a considerable challenge to channel finance to local communities and promote their autonomy in climate-related decisions if the NDA itself does not believe in a devolved approach.'

The lack of capacity at the community level is regularly cited as a reason for denying autonomy to communities. Indeed, there is a need for building financial, technological, and human resources capacities at the local level in all the phases of a programme. But this problem must be tackled head-on through an approach that is sustainable over time. The often very locally specific mitigation and adaptation needs of communities are unlikely to be addressed through existing top-down policymaking processes or by tying funding to specific projects or conditions.

The technical evaluation phase of the GCF approval process can be another impediment to accessing funds. According to GCF-watcher Liane Schalatek of the Heinrich Böll Stiftung

North America, one of two CSO Active Observers in the GCF proceedings, the independent technical advisory panel does not differentiate between a 'normal' project proposal and one that is submitted under the EDA pilot approach. As Schalatek explains, this can lead to perverse decisions: 'Part and parcel to EDA is the institutional outreach and capacity building of local institutions and their participation in project implementation, which obviously requires increased expenditures.' However, in the Namibia proposal, which led to the first approved EDA pilot project, the technical advisory panel rejected these costs as unnecessary expenditures. 'In other words,' says Schalatek, 'the technical evaluation does not reflect the mind frame or purpose of EDA.'

PRACTICE

'There is a lot of political opposition, particularly from developed countries in the Board, towards the EDA,' Schalatek observes. She points out that EDA is still only a pilot programme of \$200 million and it is unsure whether it will be renewed and in what form. 'I don't think it is incidental that the EDA is one of the pilots with the least money.'

'The GCF Board is completely contradictory,' says Schalatek. 'They are willing to take big risks with big sums, while for small-scale financial intermediation they want to see all the details. Investments of several hundred million – like that of the European Investment Bank (EIB) in the Global Energy Efficiency and Renewable Energy Fund (GEEREF) – are accepted very easily. The EIB's fiduciary standards are beyond doubt and it is only required to provide some regular reporting. However, for the EDA pilot project of the Department of Environment in Antigua and Barbuda,

³ In July 2015, the Green Climate Fund (GCF) Board adopted a five-year Enhanced Direct Access (EDA) Pilot Phase. The objective of the pilot phase is to operationalise EDA modalities, including devolved decision-making and stronger local multi-stakeholder engagement. The terms of reference stipulates that decision-making on the specific projects and programmes to be funded will be made at the national or subnational levels. https://www.greenclimate.fund/documents/20182/24952/GCF_B.10_05_-_Additional_Modalities_that_Further_Enhance_Direct_Access_Terms_of_Reference_for_a_Pilot_Phase.pdf/409c098e-60c2-45e9-8bea-4b2dba371ce1

⁴ A national designated authority (NDA) or focal point is the core interface between a country and the GCF. It seeks to ensure that activities supported by the Fund align with strategic national objectives and priorities, and help advance ambitious action on adaptation and mitigation in line with national needs; the NDA/focal points signals a country's approval with a proposed GCF project through a formal 'letter of no-objection'.

the GCF demanded a detailed operational manual which described what kind of loans or grants could be given and to whom. We are talking small sums here – loans or grants in the \$10,000 to \$50,000 range – versus the GEEREF, where one equity investment might be \$20 million and you don't even know in whom they are investing and what their capabilities are.'

There is still a lot of unfamiliarity with the GCF modalities. As yet, few people in developing countries are familiar with the EDA concept and the GCF does not seem to be energetically promoting the approach. If the likely beneficiaries of EDA – for example, local communities and ministries of local government – are largely unaware of the EDA modality and not actively encouraging national entities to pursue a pilot project, it is unlikely that many national entities will do so.

Furthermore, to qualify for the EDA pilot a national entity must first be accredited with the GCF as a financial intermediary⁵. Once accredited, entities often have other priorities or would need guidance in writing a proposal for a new and unfamiliar approach. Moreover, while EDA allows for more country ownership of climate finance, that does not automatically translate into support for local-level climate initiatives or bottom-up planning processes that reflect local knowledge and priorities.

RECOMMENDATIONS

Two paradigm shifts are needed. First, developing countries must seize the opportunity to take the lead in developing ambitious EDA plans, while international entities must minimise their interference with the process. Second, NDAs and national entities must acknowledge the wisdom of and open up to local entities and initiatives

dedicated to climate action. To support these paradigm shifts:

- The GCF should **approach recipient countries directly and actively promote the EDA modality**, including its innovative (sub) national-level steering and funding decision-making features. All stakeholders should know that this financing approach exists and how it can be accessed.
- The Secretariat should **develop guidelines to elaborate on approaches suitable for EDA funding proposals**. Guidance could be provided, for example, on:
 - > how to set up (sub)national-level small grants or small revolving loan facilities. These featured in both of the two EDA projects approved thus far and enable local communities to directly benefit from multilateral climate funding.
 - > inclusion and meaningful participation of local-level recipients to ensure that international finance via national direct access entities is devolved to local level beneficiaries. The GCF could share best practice examples, including experiences from direct access entities that have implemented EDA approaches in similar programmes, such as the UNDP/GEF Small Grants Programme.
 - > how to sustainably integrate climate change finance into existing plans, systems, and development processes. The latter is extremely important for ensuring coordinated efforts that produce lasting results rather than fragmented projects that disappear when funding ends.
- The GCF should **invest in local capacity building**, including strengthening of local institutions, which is critical to the success of locally-driven climate action. The GCF should support local actors' involvement at every step of the process (see proposals 4-6), from the proposal and planning phase to the monitoring and fine-tuning of an EDA proposal.
- The **EDA pilot should be prolonged and become a permanent access modality under the GCF**. True to the spirit of the GCF Governing Instrument, the GCF should commit to and accommodate a rapid increase in the share of EDA allocations among total GCF funds disbursed. This includes adjusting its risk perception accordingly.



Community consultations in Nepal. (Photo Prakriti Resources Centre)

Inspiration: Nepal's Local Adaptation Plans for Action

In its 2011 Climate Change Policy, Nepal committed to channelling to the local level at least 80 per cent of financial resources available for climate change. To do so, around 100 local governments in western Nepal were selected to develop Local Adaptation Plans for Action (LAPAs).⁶ An analysis of the LAPA programme evaluation offers several lessons relevant to the EDA pilot and successful devolution of funding and decision-making⁷:

Invest in existing national systems

In Nepal, the District and Village Development Committees and Ward Citizen Forums were used to channel climate finance from the national to the local level. Using existing systems is efficient and enlarges the accountability, understanding, and appreciation of climate action of the local entities. The emphasis of the EDA modality, therefore, should be to strengthen institutions for devolved climate action within countries and create new systems where they are lacking.

Make the right choice through participatory processes

Participatory processes are key to making the right decisions. For the LAPAs, communities came together to identify issues that they thought should be addressed on the local level. This process resulted in highly location- and community-specific designs, varying from livelihood supporting programmes to preservation of a spring.

Set a gender equality goal and be serious about achieving it

The LAPA project explicitly aimed to benefit women and men equally, and came close to meeting this goal. Among the lessons learned during the programme was that it was not sufficient to focus on traditional 'women's issues'. Due to male migration to cities, women also need training in managing infrastructure. The programme also learned that attempts to create ownership by letting people co-finance a project – financially or in-kind via labour provided – presented women with a dilemma: they had to neglect other tasks to be able to contribute labour.

⁵ In order to devolve financing to the sub-national and local level, a direct access entity needs to be accredited for its capacity to 'on-grant' or 'on-lend', meaning passing on larger GCF funding sums in smaller tranches as grants or loans. This requires specialised fiduciary capability; at the moment, not enough national direct access entities have reached this GCF accreditation standard.

⁶ Funding for the project, which was initially for five years, was recently re-granted by DFID.

⁷ These recommendations are drawn from a research on the LAPA framework carried out in 2017 by Oxford Climate Policy, Prakriti Resources Centre and Helvetas Nepal, with support from Both ENDS and the Global Alliance for Green and Gender Action. http://www.bothends.org/uploaded_files/inlineitem/Devolving_adaptation_Finance_and_Action-Lessons_fr.pdf

PROPOSAL 2

SIMPLIFY THE ACCREDITATION PROCESS

Although the Green Climate Fund claims that its accreditation process is ‘fit-for-purpose’, with differentiated categories for various implementing entities, the process is both complex and time-consuming. Larger entities, such as development banks and UN agencies, have more capacity to meet the stringent requirements. Yet they have poor track records in reaching the local level. On the other hand, smaller entities are more effective in reaching and engaging local actors.⁸ But they face many challenges in meeting all the criteria of the Fund. To enhance local access, the GCF should pro-actively support smaller entities in (simplified) accreditation, while stimulating larger entities to enhance local engagement and funding.

OBSTACLES

GCF accreditation is a strict and complex process. The fiduciary standards are so extensive, rigorous, and detailed that most entities – aside from large, multilateral development banks or international agencies – have a hard time fulfilling them. Most accredited direct access entities have only been cleared for low-risk, smaller-scale projects, and for project management. Few have been cleared for financial intermediation functions, such as on-granting or loan provision, although these are necessary under the GCF’s Enhanced Direct Access approach. Even the lowest level accreditation category – the ‘micro’ category for projects with a total value of up to \$10 million – is too large for most smaller entities.

Another big hurdle for smaller entities is the fact that the Accreditation Panel, which looks at the capacities of applicant entities and recommends their accreditation by the Board, checks the existence of a set of codified policies and related documentation. ‘The Panel looks at what you have written down – the

policies that you have on paper – instead of the track record of what you actually do in practice,’ GCF-watcher Liane Schalatek of the Heinrich Böll Foundation North America explains. ‘That is a big problem for local groups. Codifying what they are doing means that they have to hire lawyers, which costs money. The Panel is very aware of this disconnect in the accreditation process, because civil society has brought it up many times. But they feel they are bound by the accreditation framework approved by the Board.’

The fact that all documents officially must be submitted in just one language, English, exacerbates the problem. The need to read, discuss, and write documents in English creates a significant obstacle for many smaller entities.⁹

PRACTICE

The result is that the lion’s share of funding approved by the GCF Board so far has been granted to large international entities. In fact, just four large entities have received the majority of approved GCF funds: the European Bank for Reconstruction and Development, the United Nations

Development Programme, the World Bank, and the Inter-American Development Bank have received more than half (58%) of the approved funds for a total of 37 projects and programmes (nearly 50% of the 76 approved as of April 2018).¹⁰

There is a clear need to simplify the accreditation process and provide smaller entities support in navigating it. The GCF Board, in fact, has given international entities an obligation to serve as mentors for potential direct access candidates: when the Board agreed to fast-track accreditation of many large international entities, it specifically asked them to elaborate how they intended ‘to strengthen capacities of or otherwise support potential subnational, national and



regional implementing entities and intermediaries to meet, at the earliest opportunity, the accreditation requirements of the Fund in order to enhance country ownership'.¹¹ 'To my knowledge,' says Schalatek, 'the Secretariat has not held international implementing entities to account for how well they are doing in fulfilling that mandate.'

Meanwhile, large international entities need to be encouraged to channel some of their GCF funds in smaller amounts, and include local outreach and capacity building in their projects. As Liane Schalatek points out, 'International entities could set up nationally or locally managed small grants facilities as a routine sub-component of their larger funding proposal.'



Weaving baskets of palm tree material from a 'Farmer Managed Natural Regeneration (FMNR)' plot, Senegal. (Photo Both ENDS)

⁸ Smaller entities include, for example, (small) national and subnational state actors, and most non-state actors (e.g. civil society organisations and small private sector entities).

⁹ See also the experiences and lessons of the Samdhana Institute in their first steps in the GCF accreditation process in the CSO guide for local access and engagement (Both ENDS, and Aksi!, November 2016), http://www.bothends.org/uploaded_files/document/1CSO-guide_on_the_GCF_November_2016.pdf

¹⁰ After 19 Board meetings, by March 2018 the GCF approved 76 projects worth \$3.7 billion in GCF funding. Of those, the EBRD received approval for \$732.2 million for five projects; UNDP received approval for \$519 million for 17 projects; the World Bank received approval for \$476.6 million for eight projects; and the IDB received \$402.7 million for seven projects. Calculated from information available at: <https://www.greenclimate.fund/how-we-work/tools/entity-directory>

¹¹ GCF Decision B.08/03 (j). Available at: https://www.greenclimate.fund/documents/20182/24946/GCF_B.08_45_-_Decisions_of_the_Board_-_Eighth_Meeting_of_the_Board_14-17_October_2014.pdf/1dd5389c-5955-4243-90c9-7c63e810c86d.

RECOMMENDATIONS

- The GCF should **pro-actively support and facilitate accreditation of smaller entities, and simplify** their accreditation procedures. Effective approaches, such as the Adaptation Fund's Streamlined Accreditation process, could serve as a model (see box).
- The GCF should **differentiate the accreditation categories further by adding a smaller 'super-micro' category** (up to \$2 million), beyond the current 'micro' category with a 'C' risk category. This new category could be reserved exclusively for smaller entities. It could ensure that the documentation requirements are less onerous by allowing, for example, community testimony to supplement or substitute for written policy documents. The on-going review of the GCF accreditation framework provides the perfect opportunity for further differentiation to make GCF accreditation truly 'fit-for-purpose'.
- The GCF should **provide direct, tailored support for the accreditation process to smaller entities**. The GCF could facilitate South-South learning and support along the lines of the Adaptation Fund's South to South Cooperation programme in which countries seeking accreditation get peer support from accredited entities.¹²
- The GCF should abide by **the subsidiarity principle** and ensure that its funding is implemented at the most local level possible. The GCF should review the efforts of international (and large national) entities to fulfil this goal. The GCF should **encourage large entities to channel funding to the local level** by, for example, prioritising proposals that include this component.

The Adaptation Fund's streamlined accreditation process

The Adaptation Fund has a streamlined accreditation process in which the accreditation conditions reflect the type of entity, its size, and risk profile. The streamlined process makes the time and effort necessary for accreditation more feasible for smaller entities. It takes into consideration compensating measures, controls, and practices normally found in smaller entities to determine whether or not an entity meets the fiduciary requirements without exposing the Fund to significant additional risks. Some of its main features are:

- availability to Small National Implementing Entities (SNIE), defined as those that execute or implement projects up to \$1 million per project or programme, employ up to 25 professional staff working on implementing or executing projects, and have annual administrative expenses of up to \$1 million
- greater emphasis on identifying alternate ways to meet the requirements of the fiduciary standards
- flexibility for applicants to show how they use mitigating measures to meet the spirit of the fiduciary standards

Source: <https://www.adaptation-fund.org/document/streamlined-accreditation-process/>



Palm tree material from a 'Farmer Managed Natural Regeneration (FMNR)' plot is used to weave baskets, Senegal. (Photo Both ENDS)

PROPOSAL 3

MAKE USE OF THE EXISTING INFRASTRUCTURE OF SMALL GRANTS FUNDS

Thousands of grassroots groups and organisations worldwide are working to protect and improve their environment, and adapt to the climatic changes and shocks they are facing. Women are often at the forefront of these grassroots groups and initiatives. Their many small, locally rooted results – founded on strengthened local capacity – aggregate into larger and lasting impacts.

Given their size and nature, such grassroots groups are not equipped to apply directly to the GCF. However, a solid infrastructure of regional and national small grants funds, particularly women's funds, already exists to channel funding to local groups. Such funds are often implemented by civil society organisations that have extensive knowledge of local contexts and actors. They can provide a perfect bridge between the GCF and the people and groups directly addressing climate impacts.

OBSTACLES

In its Governing Instrument, the GCF states that it will 'provide simplified and improved access to funding, including direct access, basing its activities on a country-driven approach' and 'encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects'.¹³ To achieve this overarching goal – offering assistance to those most vulnerable to climate change – a substantial part of GCF funding should be made accessible to women at the local level. Not only are they disproportionately affected by climate disasters, they are experts in their local environments. They are, therefore, a large part of the solution to climate change.

So how to reach vulnerable groups, particularly local women? The GCF itself is not well suited to directly make small grants to local initiatives given, for example, the lack of expertise in this kind of grantmaking. Yet there are

many small grants funds operating at national and regional levels around the world that are experts in funding grassroots groups.¹⁴ Small grants funds – those that provide grants of \$1,000 and \$150,000 to grassroots, often women-led, civil society groups – are putting essential resources in the hands of women and men on the local level. In addition to providing critical funding, small grants funds channel vital information and knowledge to local actors and help build networks among them.¹⁵

Yet international funds like the GCF seem to be largely unaware of small grants funds. For their part, small grants funds face multiple obstacles in accessing GCF funding. Not only is GCF accreditation a long and complex process (see proposal 2) that requires a significant investment of time and resources, accreditation provides no guarantee that a project proposal will be approved and funded. Moreover, small grants funds may be hesitant to access GCF funding in some countries

¹² See <https://www.adaptation-fund.org/readiness/readiness-grants/south-south-cooperation-grants/>

¹³ Governing Instrument of the GCF, (Art. 31). See: https://www.greenclimate.fund/documents/20182/574763/Governing_Instrument.pdf/caa6ce45-cd54-4ab0-9e37-fb637a9c6235

¹⁴ Examples of national and regional environmental and women's funds include Fundo CASA (Brazil and South America), Fondo Centroamericano de Mujeres (FCAM), Global Greengrants Fund-Africa, South Asia Women's Fund, Fondo Tierra Viva (Central America), Keystone Foundation (India) and MONES (Mongolia).

¹⁵ 'Small Grants, Big Impacts'. Both ENDS policy brief, October 2017. See: <http://www.bothends.org/en/Publications/document/190/Small-Grants,-Big-Impacts---English-version>

due to the nature of the relationship of the fund and its local grantees (e.g. groups of Indigenous women or smallholder farmers) with the National Designated Authority which is responsible for nominating groups for accreditation. An NDA, for example, may not be adequately fulfilling its duties to protect human rights and may therefore have an adversarial relationship with local community groups.

PRACTICE

Micronesia Conservation Trust (MCT) is the only small grants fund that has thus far been accredited by the GCF. Established in the Federated States of Micronesia (FSM) in 2001, MCT supports biodiversity conservation,

climate change adaptation, and sustainable development for the people of the FSM, Republic of Palau, the Republic of the Marshall Islands, the Commonwealth of the Northern Mariana Islands, and the US Territory of Guam. Because MCT was already accredited by the Adaptation Fund (AF), its GCF accreditation was fast-tracked, meaning that the GCF only looked at accreditation requirements that had not already been considered.

‘The AF accreditation was the really heavy lift for us,’ says Lisa Ranahan Andon, Deputy Executive Director of MCT. MCT, which makes grants between \$10,000 - \$50,000, was originally required by the AF to provide detailed track records for all of its grants, based on a standard concept

of very large grant sizes – meaning in the millions. In other words, the level of information required did not take into account the size of the grant. ‘We didn’t have that level of detail for every grant,’ Andon explains. MCT was also required to have an internal audit function, regardless of the fact that the organisation had just nine full-time staff and an operating budget of \$1.6 million.

‘After more than two years of back and forth with the AF secretariat – they did assessments, we tweaked our policies – two people from the secretariat came to MCT to help us,’ Andon tells. During that time, the AF launched a new Streamlined Accreditation Process (see box in proposal 2). Within a year after the visit, MCT was accredited



Woman farmer tending her nursery, Cameroon. (Photo AWDF)

through the new process. The AF applied the same quality standards to the documentation, but appropriately adjusted the amount of information required.

The Streamlined Accreditation Process was essential to MCT's successful AF accreditation, and in turn, to GCF accreditation. MCT also benefited from strong support from Micronesia's NDA, including participation in the NDA's GCF Readiness Programme.

RECOMMENDATIONS

- GCF should **make use of the huge potential offered by the pre-existing infrastructure of small grants funds which are supporting local-level climate action**, often led by women. Small grants funds can

serve as intermediaries and enable the GCF to successfully reach local communities and vulnerable groups.

- The GCF should **proactively promote and support accreditation of small grants funds**. The GCF could consider fast-tracking or setting a target for accreditation of small grants funds. It could ensure that a minimum percentage of GCF funding flows through small grants funds.

- The GCF should **adapt the accreditation process** (see proposal 2) **so that it is appropriate for the size and scale of small grants funds and offer tailored technical assistance** when needed. The GCF could lower the level of documentation required for small grants funds and be flexible in setting

the level of compliance with certain functions, such as internal audits.

- The GCF should look for ways to **make readiness support available for entities independently from NDAs**, in order for small grants funds to access GCF support directly.

The African Women's Development Fund

As a well-established women's fund, the African Women's Development Fund (AWDF) long considered whether or not to apply for GCF accreditation. The Fund recently decided to take the first step: 'We understand that it is a cumbersome process,' explains Executive Assistant Hamdaratu Zakaria, 'but we have to try.... We know amazing things are done by women at the grassroots level, but because of their size they have no access to the big institutional funding.'

For Zakaria, it is clear that women play a key role in climate change mitigation and adaptation. 'Women engage in small scale farming. If the weather patterns change, it affects their food production. They come up with innovative ways to cope or change things.' She tells of a women's group in Zambia that received a grant to train groundnut farmers, because they were confronted with less rainfall and deteriorating soil. 'They learned how to use crop rotation, how to avoid crop diseases, and how to improve their plants.' Another grant supported a women's group in Zimbabwe to build

water harvesting and storage systems to facilitate dry season gardening. 'Now they are able to garden all year round and even produce something for the local market, so the whole community benefits.' In Cameroon, the women-led Community Agriculture and Environmental Protection Association received support from the Fund to train rural women farmers in techniques to combat soil fertility deterioration, and to mitigate the impact of climate change through agroforestry for enhanced crop production. The women learned techniques of nursery creation, seed collection and storage, and were provided with indigenous tree seedlings. They also learned how to check soil erosion using sustainable cropping systems.

Zakaria emphasises the fact that while women are most vulnerable to climate change, they also have strong knowledge and expertise in managing natural and household resources. 'The GCF, at the international and national level, should recognise and include women's knowledge, and strengthen their capacity to cope.'

PROPOSAL 4

ENSURE EFFECTIVE NATIONAL MULTI-STAKEHOLDER DIALOGUES

While stakeholder engagement and consultation are mandatory in the case of GCF project proposal development, countries are only bound to ‘best practice guidance’ while shaping their national priorities and plans for the GCF. The GCF Board limits itself to ambiguous recommendations: ‘countries could be encouraged to design a consultative process through which national climate change priorities and strategies can be defined’.¹⁶ This gives much room and authority to the National Designated Authorities and focal points and it means that not all stakeholders – namely non-state actors and subnational and local state actors – are automatically involved. A shift is needed towards national decision-making based on the interests and expertise of all relevant stakeholders and recognition that country ownership goes beyond government ownership.

OBSTACLES

‘A dialogue supposes that you sit together and talk with each other on an equal basis,’ says Titi Soentoro of Aksi!, an Indonesian CSO for gender, social, and environmental justice. ‘But in the GCF, dialogue is not mandatory on the national level. And if there is a dialogue, you are confronted with existing power differences. In general in stakeholder processes, if you don’t change the existing power structures, you have no influence on what is done with the results of the dialogue. In that case, such a dialogue will oppress people even more.’

NDA or focal points are sometimes part of the Ministry of Finance, which is not the natural partner for most environmental CSOs and women’s groups. They may not be aware of the existence of the NDA, nor the possibility to participate in a dialogue on climate change priorities and finance decisions. Soentoro explains: ‘The campaigning and advocacy of Indonesian CSOs working on climate change, women’s rights, or

environmental issues are targeted more to the Ministry of Environment and the Ministry of Forestry. So in the GCF context, both sides – the Ministry of Finance and the CSOs – have to make themselves familiar to each other.’ If groups are aware of the NDA, they may oppose its policies and practices, and therefore have a difficult relationship with it.

To ensure that national priorities and plans take into account the specific needs and initiatives of women, address gender-specific climate impacts, and come to gender-responsive climate projects (see box), it is crucial to engage women’s groups and gender experts. Women’s expertise and concerns are, however, often overlooked. Many NDAs do not have specific gender expertise and are often not open to or experienced in consulting women’s groups.

For their part, women’s groups may not always think of their contributions to restoring and protecting the environment as climate action. They may not be used to engaging in

climate (finance) discussions. Raising awareness and strengthening the capacity and expertise of women’s groups in climate finance is therefore of crucial importance.¹⁷

PRACTICE

Most communication by the GCF to recipient countries is with the NDAs. But various NDAs, instead of being connectors, act as obstacles to the engagement of certain stakeholders. ‘This is especially the case in non-democratic countries, which are less used to civic participation,’ finds Raju Pandit Chhetri of the Prakriti Resources Centre in Nepal. ‘A related problem is that Ministries of Finance that function as NDAs, like the Nepalese one, primarily focus on the financial angle of the GCF, instead of starting from a climate or gender point of view.’ Titi Soentoro observes another problem, namely a knowledge gap in the Indonesian NDA: ‘The CSOs know better than our NDA about how the GCF works.’

All NDAs act differently. The Nepalese NDA put an advertisement in newspapers to invite CSOs to participate in a dialogue. In Indonesia, the NDA has gone through several changes. Previously, it was within the Indonesian National Council of Climate Change, which was under the former Presidential Office and is now abolished. Under the new Indonesian president, the NDA was moved to the Ministry of Finance. ‘This forced us to start from scratch again,’ Soentoro explains.

The GCF Readiness Programme aims to build country capacity to access the Fund and provides resources to actively manage and engage with the GCF.¹⁸ It is primarily focused on a country’s governmental institutions and the goals are to help strengthen

institutional frameworks, identify national climate change priorities, formulate adaptation plans, support stakeholder engagement, and identify a pipeline of projects to access GCF funding. CSOs cannot access this readiness support directly, and face many challenges finding sufficient support to increase their awareness and enhance their engagement in national-level GCF processes. As a consequence, CSOs are turning to philanthropic or development donors. For example, in 2017 the Pan African Climate Justice Alliance (PACJA), together with partners, started the project Civil Society Organisations (CSO) Readiness to the GCF in Africa. The project aims to scale up the capacities of CSOs to increase their involvement in the GCF country and global processes (see box). Similar processes are set up and supported in other countries, for example by the Global Alliance for Green and Gender

Action (GAGGA) in Indonesia, Nepal, and Mongolia. These initiatives show there is significant need for better information and understanding of the GCF amongst civil society actors and a lack of support for CSO engagement at the national level.

In its Guidelines for Enhanced Country Ownership and Country Drivenness (2017), GCF Board members highlighted the 'importance of ensuring effective engagement of and ownership by relevant national and subnational stakeholders such as the local governments at the municipal or village level, private sector, local communities, academia and civil society organisations, including indigenous peoples and women's organisations, throughout the project cycle, in line with the initial best-practice options for country coordination and multi-stakeholder engagement'.¹⁹ The GCF will review

¹⁶ GCF Board Document B.08.45, Annex XIV: Initial best-practice options for country coordination and multi-stakeholder engagement, p. 89. See: https://www.greenclimate.fund/documents/20182/466886/Best_Practices_for_Country_Coordination_and_Multi-Stakeholder_Engagement.pdf/585960fa-8e8d-4078-a313-f5575db240f0

¹⁷ Gender in the Green Climate Fund (2017), Master's thesis, Kiane de Kleijne, Nijmegen University.

¹⁸ GCF Guidebook on Readiness. See: https://www.greenclimate.fund/documents/20182/574766/Guidelines_-_Readiness_and_Preparatory_Support_Guidebook.pdf/9eea580f-a109-4d90-b281-c54695114772

¹⁹ GCF Board Document B.17.14, Annex XIV: Guidelines for Enhanced Country Ownership and Country Drivenness, p. 4. See: https://www.greenclimate.fund/documents/20182/751020/GCF_B.17_14_-_Guidelines_for_Enhanced_Country_Ownership_and_Country_Drivenness.pdf/12096654-ec65-4c97-87d7-e38d8894ff5d

Pan African Climate Justice Alliance: scaling up the engagement of CSOs

In 2017, the Pan African Climate Justice Alliance (PACJA), together with Germanwatch, CARE, and other NGOs supported by the International Climate Initiative (IKI) started the project CSO Readiness to the GCF in Africa. Focusing on five countries – Kenya, Malawi, Ghana, Morocco and Senegal – the project aims to scale up the capacities of CSOs to increase their involvement in the GCF. Julius Mbatia Karanja (PACJA): 'The first step of the project was to create awareness among CSOs about the GCF and its operations. The next stage will be to explore the various opportunities for them to engage with the GCF, such as seeking accreditation, collaborating with accredited entities to develop project proposals, acting as executing entities in project implementation, monitoring GCF decision-making processes, and reviewing country project proposals'.

The project supports national-level trainings and consultations among CSOs, as well as between CSOs and NDAs or focal points. Experiences are shared at regional and global forums and webinars. This way, CSOs can learn from each other and help each other forward. PACJA pays special attention to the integration of gender and women's rights considerations, in order to secure the voice of African women and girls in engaging with the GCF.

the Readiness Programme in 2018, including through the first independent evaluation by the GCF's internal Independent Evaluation Unit. The evaluation will likely show that much work needs to be done to enhance the involvement of CSOs and the larger body of stakeholders in country ownership.

RECOMMENDATIONS

- The GCF must understand that **country ownership goes beyond government ownership**. It includes decision-making based on the interests and expertise of all relevant stakeholders, including target communities, women's groups, and local CSOs.
- The GCF should **propose mandatory guidelines for NDAs to facilitate comprehensive stakeholder consultations** throughout the entire cycle of GCF operations. This necessitates deeper involvement of the NDAs in the project cycle,

including in regular monitoring and feedback loops. The GCF Monitoring and Accountability Framework currently gives the NDA a potential role in supporting participatory monitoring. This should be further clarified and strengthened, including via the development of best practice guidelines to ensure that local stakeholders are involved.

- The GCF and the Secretariat should **ensure better outreach to CSOs and directly support CSO participation at the country level**, including in GCF's structured dialogues and in activities of the NDA. The GCF could provide additional financing to NDAs to strengthen CSO outreach and participation. It could, for example, set aside a certain percentage of GCF Readiness Support for that explicit purpose. NDAs could use the support to produce videos, conduct multi-stakeholder meetings, and publish briefings in local languages so that people at the local level are engaged in the GCF process effectively. (See also proposal 6.)

- The GCF should **strengthen guidelines and formal requirements for GCF-supported national planning processes** (e.g. development of country programmes and National Adaptation Plans) to ensure that CSO and local communities are involved in determining a country's climate action priorities, and that plans take into accounts the needs and capabilities of local women and communities.
- The GCF Secretariat should **showcase best-practice efforts by NDAs in engaging civil society organisations and local stakeholders** as a way of 'learning-by-example' and increasing peer-pressure and public expectations on NDAs. This could be done, for example, by highlighting such efforts on the GCF website.



Women selling peanuts from a 'Farmer Managed Natural Regeneration' (FMNR) plot, Senegal. (Photo Both ENDS)

Indicators for good gender-responsive climate projects

Why is the input of CSOs and other stakeholders essential for the GCF and for setting climate action priorities in general? CSOs bring unique knowledge and perspectives to the table, often based on local needs and realities and on-the-ground experience. For example, Indonesian CSO Aksi! is well-versed in best practices that ensure gender-responsiveness. Aksi! collected testimonies of local women who were involved in, or impacted by, climate projects, including reforestation and the construction of coastal defence structures. Based on their experiences and perspectives, Aksi! developed indicators for good gender-responsive climate projects. These include:

- Information disclosure: Do communities and especially women potentially affected by a project have access to full and complete information?
- Consultation and participation: Have communities, including women, been consulted to provide an understanding of the project objectives, to gain input and consent from the community, and to minimise community resistance?
- Eviction and relocation: Does the project trigger eviction, and, if this is inevitable, can relocation be done based on consent from affected communities, both men and women. Are they involved in the design, planning, and implementation of the relocation plan, and do they share equally in compensation and benefits?
- Security and safety: Are women who defend their rights guaranteed security and protection from all forms of intimidation, pressure, or violence?
- Local initiatives and wisdom: Is the climate project based on existing initiatives and efforts of women and communities in addressing climate change?
- Co-benefits: Does the climate project provide additional benefits to local communities including women, like improving the welfare and eliminating gender inequality?

Based on: Indicators of good practices climate projects: women's experiences in Indonesia, Risma Umar/Puspa Dewy, August 2017, http://gendercc.net/fileadmin/inhalte/dokumente/6_UNFCCC/Topics/Finance/Indicators_of_good_climate_projects.pdf

PROPOSAL 5

ENABLE INCLUSIVE COMMUNICATION BETWEEN THE GCF AND LOCAL ACTORS

The GCF currently fails to communicate directly and in a targeted way with local actors. There is no official channel or mechanism to ensure an iterative three-way exchange and comprehensive dialogue between the GCF, its operating entities, and affected communities or their representatives.

CSOs, at their own initiative, are working to bridge the communication gap between the GCF and local actors. Such communication is needed to ensure that the wisdom, initiatives, and needs of local actors are shared with the GCF. It is essential for both local and gender-responsive financing, and to ensure accountability and transparency. The GCF should acknowledge and actively support CSOs in playing this vital and indispensable role.

OBSTACLES

Although the GCF has been fully operational for several years, the Fund, its functions and activities remain quite unknown, especially at the local level. Those who do know about the GCF often see it as a global and centralised institution, despite its emphasis on country ownership. According to Liane

Schalatek of the Heinrich Böll Stiftung North America, one of two GCF Active CSO observers, local CSOs do not feel invited or empowered to participate and contribute. 'They are scared off by the long technical processes and procedures,' Schalatek says. Schalatek believes there is also a perception problem. The GCF is a financing mechanism to support the implementation of global climate commitments under the UN Framework Convention on Climate Change, including the obligation of developed countries to provide finance for developing countries to support climate action. Financial contributions to the GCF are not philanthropy: they are a legal requirement to address

developed countries' much higher historic contributions to accumulated greenhouse gas emissions and the climate change they have caused.

'While many people see it as a form of aid, access to the GCF is in fact a right. The GCF communication on this aspect is inadequate and fuels an attitude in which the GCF is being perceived as a traditional donor, which hampers civic participation.' Civil society stakeholders and local communities, she adds, must understand their engagement with the GCF in terms of being important rights-holders who should have a say in how and for what projects and programmes GCF funding is disbursed.

A lack of specialised technical capacity and language problems are other obstacles. 'The language is the biggest challenge,' Titi Soentoro of Aksi!, an Indonesian CSO for gender, social, and environmental justice, says. 'Apart from almost exclusively using English, the GCF uses very technical language. If documents are not translated into other languages, this will remain a big obstacle' for CSO participation.

Another obstacle is a lack of money. Even the official CSO Active Observers of GCF Board meetings have to pay for their own flights and accommodation to attend. They have to self-fund their work on GCF policies and procedures, such as the time spent on monitoring or providing input to the Board and Secretariat.

PRACTICE

Currently, the GCF has 253 registered civil society observer organisations.²⁰ Overall, maybe 50 of these organisations actively engage in GCF CSO coordination processes, including through various CSO coordinated email lists. On average, 30 to 40 representatives of registered CSOs attend Board meetings, including self-organised CSO preparation sessions before every Board meeting. While the majority of CSOs registered as GCF observer organisations are from the South, they rarely attend GCF Board meetings. They simply don't have the money to do so, or lack awareness of GCF processes and the language skills to attend.

There are two civil society Active Observers (one from the North, one from the South) who coordinate civil society inputs to the GCF Board and Secretariat and represent civil society views through interventions in official Board meetings. The two are aided by two alternates each, an informal arrangement CSOs have introduced to allow for better regional and more inclusive representation.²¹

According to Liane Schalatek, even attending the GCF Board meetings as an Active Observer does not guarantee full participation in decision-making. 'I feel very much frozen out of decision-making between GCF Board meetings,' she complains. 'We hardly receive any

documents then.’ She urges a quick reform and comprehensive review of observer participation in the GCF on all engagement levels: Board, Secretariat and in-country. A Board-mandated process to do just that has been stalled for the past two years.²²

Another problem is the timeline when documents related to project proposals are disclosed: they arrive only three weeks before Board meetings, which leaves little time to thoroughly examine them and to bring in the perspectives of local communities as to whether such proposals will help or hurt them. Theoretically, local communities should be meaningfully consulted by the project proponents early in the project cycle. But this is often not the case or not transparently documented.

CSOs are trying to fill the information and communication gap by starting their own website, GCF Watch (see box). Raju Pandit Chhetri of Prakriti Resources Centre explains: ‘We need a platform on which communities can express their views from the ground directly. In this phase the GCF needs extensive feedback, so this also serves the Fund itself.’

While such a platform in itself is crucial, it does not address the lack of communication channels between the GCF and local actors, nor the lack of capacity for CSOs to monitor GCF projects and policies.

Filling the information gap: GCF Watch

Recently launched, GCF Watch (<http://gcfwatch.org/>) is an independent CSO-led online platform providing basic information, updates, and documentation on the many ways CSOs can engage with the GCF. Organised regionally, with regional CSO coordinators, and providing information in additional languages, it aims to deliver updated region-specific information on projects, proposals, and processes, and flags opportunities to engage. As a CSO-driven endeavour, it largely relies on the input provided by local groups and CSOs in countries where the GCF operates. Although GCF Watch is attempting to fill a critical information gap, unfortunately it has limited capacity – due to lack of funds – to meet the enormous need of local communities for information about GCF, as well as the critical need of GCF for input from the local level.²³

²⁰ The GCF Secretariat invites civil society organisations, private sector organisations, as well as international organisations to become formally registered as GCF observer organisations with regular registration rounds, usually in between meetings of the GCF Board. See <https://www.greenclimate.fund/how-we-work/tools/observer-directory/civil-society>

²¹ For example, one of the Southern CSO alternate Active Observers is from Indigenous Peoples’ communities, as Indigenous Peoples at the moment still do not have their own Active Observers.

²² In August 2016, CSOs submitted to the GCF key recommendations on improving civil society participation. See: https://us.boell.org/sites/default/files/uploads/2012/10/cso_jointsubmission_gcf_observerparticipationreview_final_submitted.pdf

²³ Prior to the launch of GCF Watch, Heinrich Böll Stiftung North America worked to compile comprehensive information about various GCF topics, including a time-line of the GCF, its major decisions, CSO technical submissions, advocacy documents, etc. See: <https://us.boell.org/green-climate-fund-dossier-0>

RECOMMENDATIONS

- The GCF should **acknowledge and financially support the service of CSOs in bridging communication with local actors**. Such support should include administrative budget for targeted CSO activities, such as a communication channel, platform, or infrastructure that provides tailor-made information on GCF policies and projects to grassroots groups, and allows for communities and local groups to bring their input and perspectives to the attention of the GCF Board and Secretariat.
- The GCF should **enable effective dissemination of information to the local level by disclosing information in a timely manner**. The current proposal approval process should be reformed. This could include a two-step approach by which a short concept note on the planned project is published at a very early stage of project development to ensure input from local groups well before the Board considers it. For full project proposals, sufficient time – at least six weeks (twice as long as the current three week period) – should be given for observers to react to the complete set of documents. This would be much closer to the current practice of the Adaptation Fund.²⁴
- The GCF should **translate core GCF documents into the six UN languages, support translation in local languages**, and provide **easy-to-understand introductory explanations** with less technical jargon. Project documents should be provided in relevant local languages so that the communities affected by proposed projects understand the potential risks and benefits.
- The GCF should **provide dedicated funds for the participation of CSO observers from developing countries to attend Board meetings and participate in GCF processes**, such as the regional structured dialogues involving the GCF Secretariat, NDAs, and Implementing Entities. At a bare minimum, the GCF should start covering the flights and accommodation for the CSO Active Observers and alternates. Ideally, the GCF would learn from other funds (such as the Global Agriculture and Food Security Programme, GAFSP²⁵) and provide the CSO Active Observers with fixed annual financial support to use as determined by the CSO constituency. This could be used to increase targeted participation of underrepresented grassroots groups in events, or to support CSO monitoring missions in project recipient countries.
- The GCF should **consider establishing regional GCF offices to reduce the gap between the GCF and the local level**. Such offices should include a regional civil society/local community engagement specialist. These offices could, for example, work with NDAs and national and regional Implementing Entities on strengthening the inclusion of CSOs and local communities in country programming, in supporting programmes for readiness, and in project preparation and implementation work.

Ensuring the participation of women

Because sustained representation of women from Southern regions is currently lacking within the GCF, Women's Environment and Development Organization (WEDO) and Both ENDS (Both ENDS as a member of the Global Alliance for Green and Gender Action) started the Women Demand Gender-Just Climate Finance initiative. The initiative is supported by the Wallace Global Fund. Three women from each Southern region – Latin America and the Caribbean, Asia and Africa — are serving as 'GCF Monitors'. They act as brokers between the GCF and local and regional actors, attend GCF Board meetings, participate in training and capacity building, and support the development of regional feedback mechanisms.

The three took up their tasks at the beginning of 2018. In February, they attended the 19th GCF Board meeting in Songdo. María Julia Tramutola of the Fundación Ambiente y Recursos Naturales (FARN) in Argentina explains: 'We aim to build GCF Regional Gender Groups, each of us in our own region. These groups can serve as points of connectivity and coordination. Our objectives are to increase the awareness and participation of feminist organisations and activists in the GCF and climate finance. We also want to create a feedback mechanism on funding proposals and accreditations and connect it to the wider CSO observers' network already engaged in the GCF.'

'Environmental and climate change policies and decision-making processes rarely include a gender perspective. Even though there are enough studies acknowledging the relevant role of women as agents of change, women are still not included in the decision-making. So a first step is to include gender perspectives in issues related to environmental and climate change, which could also increase women's interest in the GCF. The second step is to engage more women in the GCF process both at local and regional level. That way women can bring to the floor their needs and knowledge, based on their involvement in different networks and gender and women's rights organisations.'



GCF Gender Monitors: Wanun Permpibul (Climate Watch Thailand), Maria Julia Tramutola (FARN, Argentina) and Massan d'Almeida (XOESE, Togo). (Photo WEDO)

- 24 <https://www.adaptation-fund.org/projects-programmes/proposals-concepts-under-review/>
- 25 <http://www.gafspfund.org/content/civil-society-organizations>

PROPOSAL 6

COMMIT TO AN INCLUSIVE, GENDER-RESPONSIVE GCF COMPLAINT SYSTEM

Apart from an Independent Evaluation Unit (IEU) and an Independent Integrity Unit (IIU) which investigates corruption, the GCF has an Independent Redress Mechanism (IRM). The IRM was set up to respond to complaints by people who feel adversely affected by 'GCF projects or programmes failing to implement GCF operational policies and procedures', including 'failure to follow adequate environmental and social safeguards'.²⁶ The terms of reference (TOR) of the IRM was first adopted by the Board in 2014 and then updated and approved in September 2017.²⁷ Detailed guidelines and procedures for the IRM are still in development.

As with other international funds, the GCF may fund projects and programmes that have far-reaching – and potentially adverse – social or environmental impacts. Hydropower dams and biofuel plantations, for example, often lead to land-grabbing and displacement, water scarcity or pollution, or human rights violations. The GCF's environmental and social management frameworks, including safeguards and human rights-based gender and Indigenous Peoples policies, should ensure that potential risks are avoided or mitigated during project design and implementation. However, negative impacts may still occur. Avoiding adverse impacts, or adequately addressing them if they do occur, requires a well-functioning, accessible grievance and accountability system that accommodates the needs of (potentially) affected local stakeholders, women in particular.

OBSTACLES

Following adoption of the first TOR, Both ENDS was commissioned by Transparency International to undertake a public consultation and draft a report with observations and recommendations regarding the GCF's accountability framework.²⁸ Many of the obstacles discussed in the report remain relevant. For example, the report observed that the GCF lacked policies and avenues for pro-active outreach to local communities and other stakeholders. This is critical given that many impacts can be avoided when dealt with at an early stage. Moreover, the effective functioning of the IRM and IIU will

be heavily dependent on outside information (complaints, tip-offs, etc.) provided by individuals or groups who are affected by, witness, or otherwise discover wrong-doing. This includes local communities, company employees, individual academics, journalists and CSO representatives. Outreach to these groups is needed to ensure their active involvement in the monitoring and evaluation of projects and programmes and the settling of complaints and grievances. 'Unfortunately active outreach and guidance to potentially affected local stakeholders so far still seems to be lacking,' says Paul Wolvekamp of Both ENDS, who was involved in the study. (In a positive sign, the IRM has

indicated in its 2018 work plan that a communication strategy will be developed.)

Wolvekamp also remains concerned about how the IRM will address gender considerations, and whether gendered impact analyses will be undertaken so as to ensure that the IRM, IEU, and IIU work in tandem to draw crucial lessons learned. 'The GCF, its implementing entities, and other counterparts need to be aware of the complex realities, including the social and cultural norms, and existing power dynamics in the areas in which they intervene.'

Moreover, in seeking redress, women face specific obstacles and risks. Women may be inhibited or hindered from complaining about specific impacts and incidents, such as harassment, inequality related to land or water use or ownership rights, and employment. In some communities, women may have lower literacy rates than men and be less familiar with formal processes. Intimidation or prosecution of women (and girls) voicing complaints is widespread. As the complaint mechanism of the World Bank puts it: 'A mechanism free of retribution will consider potential dangers and risks to complainants and incorporate ways to prevent harm.'²⁹

PRACTICE

Practice so far shows the IRM of the GCF faces the same problems other accountability mechanisms run into: a general lack of awareness and understanding about the mechanism and how it works. Erika Lennon of the Washington-based Center for International Environmental Law (CIEL), who serves as an alternate civil society Active Observer to the GCF remarks: 'In many cases people don't know which funders are behind the harmful project they are facing.



Woman planting mangrove trees to act as a buffer against sea level rise, Vietnam.
(Photo Centre for Social Research and Development)

As a consequence they don't [even] know where to file a complaint.' She thinks affected communities and local CSOs may have difficulties finding their way to the IRM, as they do with other accountability mechanisms. Depending on the level of knowledge of the IRM at national, regional, and local levels, there may be a need for more information and support from international NGOs, among others.

It is also unclear whether complaints related to GCF projects should be filed with the accredited entity's grievance mechanism or with the GCF's IRM. Lennon thinks it is either or both. 'The terms of reference of the IRM don't oblige you to approach the accredited entity first. So the choice is up to the affected community.' Lennon can imagine that in some instances it could be favourable to turn to the

²⁶ Green Climate Fund website: <https://www.greenclimate.fund/independent-redress-mechanism>

²⁷ https://us.boell.org/sites/default/files/uploads/2012/10/cso_comments_-_revised_tor_of_the_gcfs_irm.pdf

²⁸ Feasibility report on the strengthening of citizen-based compliant review and referral mechanisms under the Green Climate Fund. See http://www.bothends.org/uploaded_files/inlineitem/120150528_Feasibility_report_Tl.pdf

²⁹ See: Good Practice Note. Addressing Grievances from Project-Affected Communities. Guidance for projects and companies on designing grievance mechanisms, World Bank-IFC, 2009, <https://www.ifc.org/wps/wcm/connect/cbe7b18048855348ae6cfe6a6515bb18/IFC%2BGrievance%2BMechanisms.pdf?MOD=AJPERES&CACHEID=cbe7b18048855348ae6cfe6a6515bb18>

IRM. 'In cases where there is a lack of trust or bad previous experiences, the community might fear retaliation from the accredited entity. Therefore, the complainants should have the choice of where and when to seek redress.' The IRM has taken some positive steps to address access for people who may face greater obstacles in pursuing a complaint.

For example, the draft procedures and guidelines currently state that complaints can be confidentially submitted by ‘voice or video recording’, among other ways, or by a representative.

Meanwhile, many CSOs and other parties fear that the investigation of complaints will be limited to paperwork and that no visits to the affected communities will be paid. It is also unclear what will happen if a complaint is honoured: how will the loss or damage be determined? Who will be compensated through what mechanism and through what institution? How long will this take? How will the GCF ensure that these arrangements are adequate, gender-responsive, and lasting?

Titi Soentoro of Aksi! In Indonesia is concerned that the IRM does not take long-term damages or losses into account. ‘Sometimes it takes more than ten years for impacts to become clear.’ The full implementation of applicable environmental and social standards – and the realisation of their objectives – are sometimes only achieved after project loans have been fully disbursed and the ‘main’ project activities (e.g. infrastructure construction) have been completed.

The IRM is still in its infancy. Since it became operational, only two complaints have been submitted: the first was ruled ineligible and the second was withdrawn.³⁰ Although much remains unknown about how it will work in practice, the IRM will become critically important considering the rapid growth of the current GCF portfolio of projects and programmes.

RECOMMENDATIONS

- The GCF should commit to and implement measures to step up **transparency and disclosure of information** about the Independent Redress Mechanism’s procedures, operations, and cases.
- The GCF IRM should have **the authority to serve as the accountability mechanism for any GCF-funded project or programme and as a place where adversely impacted people can seek redress**. GCF should not attempt to off-load responsibility for accountability and grievances to other parties, such as the accredited entities. From a gender perspective, there is risk that these latter actors lack sufficient gender expertise and outreach to potential complainants.
- The IRM should clearly inform stakeholders that it **offers an avenue for grievances to be filed, throughout the project cycle, by people who are or may be adversely impacted**, including by local stakeholders wishing to raise concerns about lack of an appropriate consultation process. The IRM should improve its website and documents to clearly explain its function. It should communicate its role to stakeholders and potential complainants in an understandable, clear manner that is consistent with its Terms of Reference.
- The IRM should **pro-actively reach out to local stakeholders**, especially to women and disadvantaged groups, **at the earliest possible stage**. The IRM’s public outreach strategy should include organisation of accessible events in the GCF countries of operation and activities specifically geared towards potentially affected communities, especially women, with an adequate budget to support their participation.
- The GCF should explicitly **include feedback and experiences from the grassroots level**, from women and men, not only through the IRM, but **also in its internal monitoring and evaluation efforts and procedures** (see also proposal 5). This can help ensure better project design and implementation, and therefore avoid potential harms at the outset. A new evaluation policy being developed by the IEU for the GCF should anchor feedback and experiences from the grassroots level as a core building block in evaluations of the effectiveness of GCF funding and programming. CSOs can play an important role in this, as they are widely connected through their networks with grassroots institutions, and have expertise and knowledge of the local context, including gender aspects.
- The IRM should ensure that staff and consultants with **gender expertise are available to assist during the various stages of the grievance process and inclusion of gender experts on the investigation team**. Considering the likelihood of severe gendered impacts of the mostly large-scale funded projects and programmes, the IRM’s expertise on gender must be strengthened.
- Special measures and precautions should be taken to **address the risks, vulnerabilities and obstacles faced by women seeking redress and remedy**. The GCF and the IRM should develop a protocol and operational measures and responses to identify, anticipate, prevent, and address threats of and actual retaliation against complainants or those associated with the complaint process.

Senegal Urban Flood Management Project

An 80 million dollar adaptation project to improve flood management in urban areas in Senegal is an example of a project with high environmental and social risks. It was the first Category A 'high risk' project approved by the GCF. Civil society groups are worried that the flood integration measures were added as an afterthought to fix an insufficiently thought out existing urban infrastructure project, without adequate consultation and engagement of local stakeholders. They also are concerned about insufficient mitigation efforts to deal with necessary resettlement of local stakeholders, including ensuring that female-headed households and women benefit equally from compensation measures.

In cases like these, the IRM could offer a valuable entry point for detecting at an early stage possible deficiencies in the public consultation process and design of projects.

See CSO concerns presented during the GCF Board meeting available at: <https://www.gcfwatch.org/projectracker/fp021-senegal-integrated-urban-flood-management-project/>

30 It is worth noting that in contrast to the redress mechanisms of other funding institutions, the GCF IRM fulfils two very distinctly separate functions. It acts as a grievance and complaint mechanism for project-affected people and communities. However, it has a second function to provide a review of Board funding decisions at the request of NDAs in cases where they do not agree with a funding denial. In the case of Argentina, the Board did not approve a proposed EDA project at its 18th Board meeting in October 2017. The IRM's case registry can be found at <https://www.greenclimate.fund/independent-redress-mechanism>



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