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Report on the activities of the Independent Redress Mechanism

Summary

This report provides an update on the progress made with regard to the activities of the Independent Redress Mechanism (IRM). The reporting period is from 1 January 2019 to 31 May 2019. The document summarizes the activities of the IRM based on the work plan and budget of the IRM for 2019 adopted by the Board at its twenty-first meeting.

I. Introduction

1.1 Background

1. The Independent Redress Mechanism (IRM) is mandated in paragraph 69 of the GCF's Governing Instrument. This paragraph states that "(t)he Board will establish an independent redress mechanism that will report to the Board. The mechanism will receive complaints related to the operation of the Fund and will evaluate and make recommendations." The IRM performs a key function within the GCF's accountability mechanisms. The IRM reports directly to the Board and is subject to the decisions of the Board. It is independent of the Secretariat of the GCF.
2. The report on the activities of the IRM provides an update on the progress made by the IRM. The report covers key priority initiatives identified in the Work Plan of the IRM for 2019, approved by the Board at B.21.¹ The reporting period is from 1 January 2019 to 31 May 2019.
3. The work plan of the IRM identified the following overarching goals to help guide the work of the IRM for 2019:
 - (a) Operating the IRM (2019); and
 - (b) Processing grievances and complaints (including those that are self-initiated), and requests for reconsideration of funding decisions.

II. Operating the IRM

2.1 Progress on operating the IRM

4. **The implementation of the work plan and budget:** The terms of reference (TOR) of the IRM requires it to consult with the Ethics and Audit Committee (EAC) on the implementation of its work plan, as appropriate. As decided by the EAC, the IRM submits quarterly reports to the EAC regarding its work and the EAC provides valuable feedback.
5. **Staffing the IRM:** The IRM is fully staffed with three full time staff members, the Head of the IRM (appointed by the Board), a Compliance and Dispute Resolution Specialist and a Registrar.
6. The position of Registrar was created to take the place of Team Assistant, this position having been suppressed at the end of 2018. The new Registrar took office on 15 February 2019, with the previous Team Assistant continuing until the end of February 2019.
7. The Compliance and Dispute Resolution Specialist has resigned, with effect 22 July 2019, citing air pollution concerns and the lack of availability of employment opportunities for her spouse in Songdo as the two main reasons for her resignation. The IRM immediately commenced the recruitment process for her replacement. The IRM short-listed candidates and conducted interviews in May 2019. An offer has been made to the IRM's top candidate, and the IRM awaits acceptance of his appointment.
8. Two interns commenced work in January 2019 for a period of six months. In July 2019 two new interns will commence work for the second half of the year.
9. **Procedures and guidelines for the IRM:** The Procedures and Guidelines (PGs) were presented to the Board for approval at B.22 in February 2019. The Board adopted the PGs, which now enhance the framework procedures in the IRM's TOR and have now replaced the

¹ Decision B.21/10

interim procedures for the reconsideration of funding decisions adopted by decision B.13/24. The Board designated the EAC as the “Board Committee” under the PGs and entrusted the EAC with responsibility for matters relating to the PGs. The Board also requested that the Head of the IRM, in consultation with the EAC, consider options to facilitate the Board’s consideration of reports from the IRM containing its findings and recommendations relating to requests for reconsideration and grievances or complaints, and to prepare appropriate guidelines for consideration by the Board by its twenty-fourth meeting. The IRM is currently developing such a guideline for consideration by the EAC.

10. **Supporting operating procedures for the IRM:** The IRM has developed and is piloting draft supporting operating procedures (SOPs) to efficiently and effectively implement the TOR and the PGs of the IRM.

2.2 Communications strategy

11. Outreach activities:

- (a) **Civil Society Outreach:** At the end of May, the IRM hosted a two-day CSO workshop in Santiago, Chile for participants from Peru, Argentina, Chile, Uruguay and Paraguay. The IRM is also participating in the IAMnet Annual Meeting in June 2019 in Abidjan, Cote d’Ivoire, which includes a CSO forum with participants from the West African region.
- (b) **Financial Intermediaries and Accredited entities:** In May 2019, the IRM presented at a regional workshop in Shanghai, China targeting Financial Intermediaries (FIs). This workshop was hosted by the Asian Development Bank (ADB) and attracted 250 participants from Chinese state-owned banks and other FIs, large public sector entities, independent accountability mechanisms from international financial institutions, and several international and regional CSOs and research institutions. The IRM’s presentations at this event focused on the framework and best practices for establishing grievance redress mechanisms at the FI level. A framework document for establishing effective grievance mechanisms was prepared by the ADB ahead of this workshop, and incorporates, almost verbatim, large sections of the IRM’s PGs. The IRM welcomes this community of practice approach and has provided feedback on this draft framework document.
- (c) **Communications materials:** The IRM has updated its brochures in English and Spanish following the adoption of its PGs and is in the process of translating these to other languages. Printed brochures and annual reports are being distributed at outreach events.
- (d) **IRM participation in GCF Events:** The GCF Secretariat has decided not to host regional Structured Dialogues in 2019, and to focus instead on a Global Conference in Songdo in August, which the IRM plans to participate in. The IRM accordingly proposed to move funds in its budget that were set aside for participating in Structured Dialogues to “DAE and CSOs Capacity Building”. Increasing the funds available in “DAE and CSOs Capacity Building” ensures that the IRM is still able to fulfil its outreach and capacity building objectives through increased participation in events organised by other accountability mechanisms, and through the development of online learning materials (see below under paragraph 2.4). Please see further note under budget utilization below.
- (e) **In-reach:** Over the past two years, the IRM has been functioning as a reference point for the GCF Secretariat to assess the adequacy of GRMs set up by AEs. In January 2019, in a meeting between the IRM, Office of General Counsel (OGC) and Division of Country Programming (DCP), it was agreed that this function is best played by the safeguards staff in the Secretariat. It was accordingly agreed that the factual assessment of whether an AE has an adequate GRM as required by the ESMS and other applicable standards will

be undertaken by the safeguards staff of the Secretariat. In March 2019, the IRM provided training to them on ways and means of assessing the adequacy of GRMs of an AE and handed this assessment function over to the Safeguards staff. The IRM also held a dedicated session for the Private Sector Facility (PSF) team to increase awareness of social and environmental risks and discuss ways that these risks can be prevented and assessed through the project cycle. The IRM will be hosting a similar session for the Office of Portfolio Management (OPM) in early June. The IRM co-hosted a Brown Bag Discussion with OGC in March on the US Supreme Court opinion holding that the IFC can be sued in US courts, and the implications of this judgment for the GCF and the IRM. In May, the IRM and the Independent Integrity Unit (IIU) co-hosted a Lunch Time Talk on Preventing Sexual Abuse in Projects, with Ms. Imrana Jalal, Chairperson of the World Bank's Inspection Panel, as our guest speaker. Both these events were very well attended by GCF staff and the IRM received a lot of positive feedback on the relevance and usefulness of these discussions.

2.3 Providing advice

12. The IRM is developing two advisory notes for the Board based on lessons learned and international good practice, in accordance with paragraph 16 of its TOR. The first note deals with the prevention of sexual exploitation, harassment and abuse in GCF funded projects, and contains learnings and recommendations based on complaints which were filed with the Inspection Panel of the World Bank Group.

13. For the second advisory, the IRM identified four institutional issues: a) paragraph 13 of the template accreditation master agreement and accountability gaps; b) due diligence standards at GCF for projects and programmes; c) ESS unit within the GCF structure; and d) project and programme documentation and archiving. These issues arose from cases handled by the IRM, good international practice and from interactions the IRM has had with Secretariat staff since 2017. In order to ensure that advisory notes from the IRM are appropriately informed by the experiences of the GCF, the IRM sought feedback on its concept note for this advisory from relevant GCF staff. The IRM met with OGC, OPM, the Division of Mitigation and Adaptation (DMA), PSF, and DCP. Throughout these consultations, it became clear to the IRM that there were other efforts underway within the Secretariat in relation to some of these issues. As such, it may not be necessary for the IRM to address all of these issues in its second advisory note, since the IRM can share its insights in other ways which complement the existing efforts underway. To this end, the IRM has already met with the Executive Director to share its views on these issues.

14. The IRM has also been active in providing advice to the IIU on the updated Policy on the Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment, as well as providing inputs into the IEU's Independent Assessment of the GCF's Country Ownership Approach, Independent Assessment of the GCF's Environmental and Social Safeguards, the GCF Performance Review, and the Independent Evaluation of the GCF's Readiness and Preparatory Support Programme. The IRM also provides advice on the development of Administrative Instructions (AIs) for GCF staff when called upon to do so, and when appropriate. In this reporting period, the IRM, along with the other independent units, has provided extensive input into the draft AI on Preventing, Managing and Addressing Conflicts of Interests.

2.4 Capacity building of direct access entities' grievance mechanisms

15. As part of its mandate to increase the capacity of direct access entities and their grievance mechanisms, the IRM is developing learning modules for use in on-line and in-person training. The IRM has appointed an experienced and qualified consultancy firm to assist with

the preparation of these materials and aims to have the in-person training modules completed by August 2019, and the online training modules by October 2019. This work will be hosted on a GCF learning platform in collaboration with the knowledge management unit of the Secretariat.

16. The modules will be based on best practices currently available for the establishment and operation of a grievance mechanism and will be rolled out to direct access entities and other parties, including being made available to the public.

17. As the number of AEs with grievance mechanisms grows, the IRM is also considering ways in which it can provide leadership to a community of second-generation accountability and grievance redress practitioners. In this context, the IRM is considering hosting a capacity development workshop of accountability practitioners next year. This will include all the accountability mechanisms of GCF AEs and others. As part of providing leadership to this growing community, the IRM is considering publishing good practice notes on 3-5 key areas of the accountability practice over the next year. The IRM has captured these ideas in a concept note proposing the establishment of a Grievance Redress and Accountability Mechanisms (GRAM) partnership and is reaching out to other well-established accountability and redress mechanisms that may be interested in collaborating. The IRM has already received in principle support from a number of such mechanisms.

2.5 Case Management System (CMS)

18. A custom-built Case Management System (CMS) was provided for in the IRM Workplan and Budget for 2018 that was approved by the Board at B.19. The vendor was competitively chosen and was contracted to build the system based on defined user requirements at the end of 2018 (largely due to procurement delays). The CMS will enable the IRM to efficiently, effectively and timely manage complaints and reconsideration requests and analyze data relating to such cases so as to provide advice to the GCF Secretariat and the grievance mechanisms of direct access entities based on the IRM's work. The IRM, together with the ICT Department of the GCF Secretariat, has had several meetings with the vendor, including bi-weekly touchpoints. Design and implementation of the CMS is ongoing and is expected to be completed soon, with user testing commencing in June. The CMS is expected to go live towards the end of July 2019.

2.6 Independent Accountability Mechanisms Network (IAMnet)

19. The IRM has continued to be active within the IAMnet community. The IRM is a member of the Governance Committee of the IAMnet, which is working on governance reforms for the network. IRM staff are also contributing to three IAMnet good practice notes on dispute resolution; advisory functions; and on evidentiary and interpretation standards. Preliminary results will be presented to the IAMnet annual meeting in Abidjan in June 2019, which will be attended by IRM staff.

III. Processing Complaints and Reconsideration Requests

3.1 Complaints and requests for reconsideration of funding decisions

20. The IRM is fully operational and able to process (a) complaints from persons adversely affected by GCF funded projects or programmes, and (b) requests from developing countries for reconsideration of funding denied by the Board.

21. During the period under review the IRM has not received any complaints or reconsideration requests.
22. In the exercise of its functions under paragraph 12 of its TOR, which allow for self-initiated proceedings by the IRM if certain conditions are met, the IRM commenced a preliminary inquiry in to information received about potential mis-categorization and lack of free, prior, informed consent (FPIC) in project number FP001, Peru. The IRM found that there was *prima facie* evidence that the conditions set out in para 12 for initiating an investigation were met but did not initiate proceedings under that paragraph in view of an undertaking given by the Secretariat on 1 May 2019 to implement several remedial actions. These remedial actions have now commenced, and the IRM will receive progress updates from the Secretariat up until 31 December 2019. If at that point the IRM is satisfied with the actions taken by the GCF Secretariat, then the IRM will not initiate proceedings under paragraph 12 of its TOR and this case will be closed. If, however, the IRM is not satisfied that the undertakings given have been implemented, then the IRM retains the option to initiate proceedings, and the information received that triggered the inquiry shall be treated as an eligible complaint, and the procedures for grievances or complaints set out in the PGs shall be followed by the IRM. The IRM has published a summary of its preliminary inquiry report, including the undertakings provided by the Secretariat, in the IRM's Case Register at <https://irm.greenclimate.fund/case-register>.

IV. Budget utilization for the reporting period

23. Due to factors beyond the control of the IRM, as explained in this report, and below, the IRM is likely to have budget overruns in some line items of its Board-approved budget and commensurate budget underruns in other line items. The IRM has informed the Ethics and Audit Committee of these changes and awaits its feedback at a meeting scheduled on 13 June 2019. Following this meeting, the IRM will also brief the Budget Committee of these changes.
24. The utilization of the 2019 budget until 31 May 2019 is shown in table 1.

Table 1: Independent Redress Mechanism Unit budget utilization as of 31 May 2019 (in USD)

Items	2019 Approved Budget	Actual	Commitment	Sub-total	%
Staff Costs					
Full-time Staff	728,680	282,772	3,300	286,072	39%
Consultancies	121,000	16,996	62,484	79,480	66%
Sub-total	849,680	299,768	65,784	365,552	43%
Travel					
Travel	95,140	19,198	14,389	33,587	35%
Travel associated with complaints/request	68,850	-	-	-	0%
Sub-total	163,990	19,198	14,389	33,587	20%
Professional services					
Professional services	147,550	2,600	44,700 ²	47,300	32%
TOTAL	1,161,220	321,566	124,873	446,439	38%

Notes

- Staff Costs includes staff salaries, benefits (including appointment benefits), staff training and development costs
- Consultants costs include consultants' fees, benefits and travel costs
- Consultant and interns' commitments reflect balances on contracts authorized for interns and consultants
- Travel commitments are authorized travel requests as at 31 May 2019, less actual costs settled as at the same date

² Relates to a contract signed with the Consensus Building Institute.