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## MEMORANDUM

TO: Dr. Lalanath de Silva  
Head of Independent Redress Mechanism

DATE : 31 July 2019

FROM: Sohail Malik  
Head  
Office of Portfolio Management

REFERENCE : OPM/2019/064

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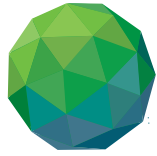
### **SUBJECT: FP001 IRM AGREED ACTIONS PROGRESS UPDATE**

- *The GCF Secretariat sends the following information as an advisory update on progress towards the agreed actions between GCF Executive Director and Head of the GCF Independent Redress Mechanism for FP001.*



## IRM-Secretariat Agreed Actions for the Preliminary Inquiry of FP001

IRM Recommendation	Secretariat Reporting
<u>Free Prior Informed Consent (FPIC)</u>	
<p>1. A freestanding guidance note on FPIC requirements, particularly addressing FPIC documentation requirements, to be produced by pulling information from the draft implementation guideline on the Indigenous Peoples Policy and issued to all AEs and GCF staff to guide them. This would be without prejudice to more comprehensive implementation guidelines being issued under the IP Policy in due course.</p>	<p><b>31 July 2019:</b> The Secretariat has drafted Indigenous Peoples Policy (IPP) Operational Guidelines, establishing the technical and administrative references and tools for implementing the GCF Indigenous Peoples Policy.</p> <p>As part of the finalization in the development of these guidelines, the Secretariat consulted with stakeholders including AEs, NDAs, and indigenous peoples (pursuant to the IPP paragraphs 56 and 83) through the observer organizations, inclusive of guidance on free, prior and informed consent (FPIC).</p> <p>On 14 June 2019, SMT approved this process for outreach to AEs, NDAs, and observer organizations with circulation of the draft guidance note to invite inputs and comments on the draft IPP Operational Guidelines. The consultation period was provided for 21 days, ending on 05 July 2019.</p> <p>With 250+ comments received in the consultation process, the Secretariat is reviewing comments for incorporation in the IPP Operational Guidelines text - to the extent that comments shared are material and relevant to the IPP Operational Guidelines. The revised draft has been shared with SMT 31 July 2019 and will be finalized shortly.</p>
<u>Environmental and social risk categorization guidance</u>	
<p>2. A section dealing with the risk categorization of projects involving IPs to be included in the guidance note on environmental and social screening (including high-level examples of the kinds of activities involving IPs that could fall within Category C). This guidance note is to be issued to all AEs and GCF staff to guide them.</p>	<p><b>31 July 2019:</b> The GCF Environmental and Social Policy provides for a risk-based approach to assessing and managing environmental and social risks and impacts of projects. Application of a risks-based approach is intended to ensure due diligence is undertaken at the appropriate level of likely environmental and social risks of the project and its activities.</p>



	<p>Additionally based on the GCF business model, with differentiated levels of due diligence, the Secretariat drafted the Guidance Note on Categorization to share practical information within the Secretariat, as well as with AEs and/or EEs to align the conduct of due diligence for activities and clarify the requirements for environmental and social risk categories as described in the GCF Environmental and Social Policy. The Guidance Note on Categorization also provides illustrative examples on the process for determining how projects and activities are categorized.</p> <p>The draft Guidance Note on Categorization has gone through a consultation process for internal Secretariat and IRM comments; which have been integrated to the extent possible. The draft document was submitted to SMT on 30 July 2019 for approval to transmit the Guidance Note on Categorization publicly to AEs and the Secretariat. Pending SMT decision the Secretariat will further update the IRM via email for the date of circulation.</p>
<p><u>Project Specific – FPO01</u></p>	
<p>3. Obtain an assessment/opinion from a suitably qualified and experienced expert in land titling of indigenous communities in the Peruvian context, which examines potential impacts of the creation of the Áreas de Conservación Ambiental (ACA) on collective land rights of indigenous people who are part of the project and their ongoing or future efforts to register title to those land rights. Ideally this should be integrated as a component of the proposed technical study Profonanpe has planned. If Profonanpe is unable or unwilling to provide such an assessment/opinion, GCF shall commission an independent expert to provide the same.</p>	<p><b>31 July 2019:</b> The Secretariat have reviewed the 2018 APR submitted by the AE and provided comments, including requests for further information with specifics on workplan, activities and ESS queries.</p> <p>AE's response is pending, and the Secretariat in August 2019 will follow up with the AE as well as look into options to directly commission an independent expert on land titling of Indigenous communities in the Peruvian context related to collective land rights and the creation of the ACA.</p> <p>The Secretariat anticipates updating the IRM further on this action in the next report submitted.</p>



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<p>4. Based on the guidance note on FPIC requirements prepared (as per point 1 above), ensure that the consent documentation submitted by Profonanpe for the establishment of the ACA is complete and compliant with the guidance.</p>	<p><b>31 July 2019:</b> Secretariat response on this action requires submission of the FPIC documentation for the establishment of the ACA and circulation of the IPP Operational Guidance Note (which per action 1 is in finalization).</p> <p>The Secretariat anticipates updating the IRM further on this action in the next report submitted.</p>
<p><u>Monitoring</u></p>	
<p>5. Provide the IRM with quarterly progress reports with regard to the above actions and respond to clarifications and further information, if any, requested by the IRM.</p>	<p><b>31 July 2019:</b> Reporting was provided to the IRM on 31 July 2019 as per the agreed timelines for quarterly progress reporting regarding actions undertaken to date.</p>