

The Green Climate Fund in Peru

Indigenous organisations' recommendations for improving safeguards



GOBIERNO TERRITORIAL AUTÓNOMO DE LA NACIÓN WAMPIS



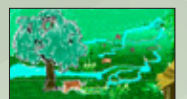
ONAMIAP



ACODECOSPAT



FEDIQUEP



OPIKAFPE

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The Green Climate Fund in Peru Indigenous organisations' recommendations on its safeguards.

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COMUNIDAD CAMPESINA
PUNO - PIURA

2. Comunidad organizada, que
se organiza en función del
trabajo, hombres, mujeres, niños,
jóvenes, con de su problemática
y base al aprovechamiento
de los recursos naturales y canales
de comunicación.
Elaboración
de planes
de desarrollo

ACTUAL COMUNITARIA
Organización
Persuasión
Directiva



NORMA

MARLENY

¿Cómo...

- ♦ Asambleas Ordinarias
- ♦ Nombramiento de la Junta
- ♦ Nombramiento de Carrés
- ♦ Comite pecuaria
- ♦ Comite Barco Comunal
- ♦ Comite de riego central

Acronyms

ACA	: Environmental Conservation Areas
ACODECOSPAT	: Cocama Association of Development and Conservation San Pablo de Tipishca
AE	: Accredited Entity
AF	: Adaptation Fund
AFD	: French Development Agency
AIDSESP	: Interethnic Association for the Development of the Peruvian Rainforest
ANECAP	: National Association of Management Contract Implementers
BGR	: German Federal Institute for Geosciences and Natural Resources
BMZ	: Federal Ministry for Economic Cooperation and Development of Germany
CABEI	: Central American Bank for Economic Integration
CAF	: Development Bank of Latin America
CI	: Conservation International
COFIDE	: Development Bank of Peru
COP	: Conference of the Parties
COOPECAN	: Production and Special Services Cooperative of Andean Camelid Producers
CP	: Country Programme
CR	: Communal Reserve
DGAEICYP	: Directorate General for International Economic, Competition and Productivity Affairs
DGCCD	: Directorate General for Climate Change and Desertification of the Peruvian Ministry of Environment
ECA	: Contract Executor
EIB	: European Investment Bank

ESMAP	: Energy Sector Management Assistance Program
EU-LAIF	: European Union's Latin America Investment Facility
FAO	: UN Food and Agriculture Organization
FECONACOR	: Federation of Native Communities of the Corrientes River Basin
FEDIQUEP	: Quechua Indigenous Federation of Pastaza
FENAP	: Federation of the Achuar Nationality in Peru
FMO	: Dutch Development Bank
FPIC	: Free, Prior and Informed Consent
FPP	: Forest Peoples Programme
GCF	: Green Climate Fund
GIZ	: German Agency for International Cooperation
GTANW	: Autonomous Territorial Government of the Wampis Nation
IDB	: Inter-American Development Bank
IE	: Implementing Entity
IFAD	: International Fund for Agricultural Development
IFC	: International Finance Corporation
IIPF	: Indigenous Peoples Planning Framework
ILO	: International Labour Organization
IPP	: Indigenous Peoples Plan
IRM	: Independent Redress Mechanism
IUCN	: International Union for Conservation of Nature
IWGIA	: International Work Group for Indigenous Affairs
JICA	: Japan International Cooperation Agency
KfW	: State Development Bank of the Federal Republic of Germany
MEF	: Ministry of Economy and Finance
MINAM	: Ministry of Environment
MOP	: Green Climate Fund Operations Manual
MUFG Bank	: Bank of Tokyo-Mitsubishi UFJ
NDA	: National Designated Authority
NDF	: Nordic Development Fund
ONAMIAP	: National Organisation of Andean and Amazonian Indigenous Women in Peru
OLADE	: Latin American Energy Organization

OPIKAFPE	: Organisation of the Indigenous Kichwa Amazonian Peoples of the Peru-Ecuador Border
PAHO	: Pan-American Health Organization
PNCB	: National Forest Conservation Program of the Ministry of Environment
PROFONANPE	: Fund for the Promotion of Peru's Protected Natural Areas
PPF	: Project Preparation Facility
PROFONANPE	: Fund for the Promotion of Peru's Protected Natural Areas
PSF	: Private Sector Facility
PUINAMUDT	: Indigenous Peoples United in Defense of their Territory
RBP	: Results-based payments
REDD+	: Reduced Emissions from Deforestation and Forest Degradation
RIA:	Amazon Indigenous REDD+
SAP	: Simplified Approval Process
SD	: Supreme Decree
SDG	: Sustainable Development Goal
SERFOR	: National Forest and Wild Fauna Service of the Ministry of Agriculture
SERNANP	: Peruvian National Protected Natural Areas Service
UNDP	: United Nations Development Programme
UNFCCC	: United Nations Framework Convention on Climate Change
UNISDR	: United Nations Office for Disaster Risk Reduction
WFP	: World Food Programme
WHO	: World Health Organization
WMO	: World Meteorological Organization
WWF	: World Wide Fund for Nature



Introduction

“The State shall safeguard the right of Indigenous or native peoples to participate in the formulation, implementation, monitoring and evaluation of public policies and investment projects related to climate change that affect them, respecting their social, collective and cultural identity, customs, traditions and institutions, in accordance with ILO Convention 169, the Indigenous and Tribal Peoples’ Convention.”

-Peruvian Framework Law on Climate Change (Art. 22)

“GCF should promote respect for the right of indigenous communities to freely pursue their economic, social and cultural development and their right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.”

-Green Climate Fund Indigenous Peoples Policy. Guiding Principle h on Respecting the system of self-government (IPP 2018: 7)

“We are concerned about how these types of projects are being approved without our consent... We want to alert about the lack of compliance with existing regulatory frameworks that recognize and protect our rights as indigenous peoples and women, we want to generate new forms of relationship with the State, and new ways of steering development visions that respects mother nature and all the lives on the planet...the proposals have to come from the indigenous peoples and organisations, respecting our vision of development and our own organic structures for decision-making...that is why we have started working on these proposals. Here we indigenous peoples and women are ready to continue getting involved as subjects of rights and not simply as vulnerable actors”

-Melania Canales, President of the National Organisation of Andean and Amazonian Women of Peru (ONAMIAP), October 2021

This report provides an update on the Green Climate Fund’s investments in Peru and makes a series of recommendations aimed at overcoming its limitations about Indigenous Peoples safeguards. It highlights the need for structural change to ensure more effective and equitable participation of Indigenous Peoples in decision-making regarding climate action and access to climate funds, particularly those of the Green Climate Fund.

The Green Climate Fund (GCF) is the world’s largest dedicated climate action fund. Its goal is to promote a “paradigm shift towards low-emission and climate-resilient development pathways in developing countries”. With this in mind, it is supporting a range of adaptation and mitigation projects and programmes in

more than 100 countries involving investments of approximately USD 9 billion.¹ The GCF is a fund established within the context of the United Nations Framework Convention on Climate Change (UNFCCC). It is an operating entity of this latter's financial mechanism and is a response to the 2015 Paris Agreement's goal of keeping the average global temperature increase well below 2 degrees Celsius and pursuing efforts to limit that temperature increase to 1.5 degrees Celsius.

The GCF has an explicit interest in making sure Indigenous Peoples are considered in any funding decisions. In February 2018, the GCF adopted an Indigenous Peoples Policy that aims to ensure that GCF projects recognise Indigenous Peoples' particular role in society with regard to decisions on climate action. This policy acknowledges that Indigenous Peoples' economic, social, and legal status often limits their ability to defend their rights and interests in lands, territories and natural and cultural resources and may restrict their ability to participate in and benefit from development and climate action initiatives. It also notes that, in many cases, Indigenous Peoples do not enjoy equitable access to project benefits and nor are projects designed or delivered in a culturally appropriate way. They are also not always adequately consulted with regard to the design or implementation of activities that affect their lives and communities.² This policy forms one of the safeguards that seek to ensure that GCF funding does not harm local communities or ecosystems. Quite the contrary, the policy seeks to strengthen the contributions of Indigenous Peoples. The GCF has also explicitly stated that its funding seeks to enhance Indigenous Peoples' capacity to cope with climate change.

In addition to recognising the importance of Indigenous Peoples' full and effective participation in the design, development and implementation of the strategies and activities to be financed, the GCF has also expressed an interest in financing actions that involve tropical forests, including the Amazon. Its referenced climate models suggest that, by 2050, temperatures in the Amazon will have increased by 2 to 3 °C, meaning that the threats facing the Amazon forests go beyond the problem of deforestation alone and also include climate change. The GCF is aware of rainforest projections that involve a tipping point at which the Amazon Forest will begin to die and gradually be replaced by fire-prone shrubs and savanna. It refers to studies showing that Indigenous Peoples play a vital role in avoiding such scenarios. A recent edition of the journal *Proceedings of the National Academy of Sciences of the USA* (PNAS) demonstrated, for example, that Indigenous lands and protected areas in the Amazon contribute far less to climate change than areas in other parts of the world's largest rainforest: they account for only 10 percent of carbon emissions but cover 52 percent of the region.³ Another referenced study from the World Resource Institute found that deforestation rates in the Amazon (together with the corresponding forest carbon emissions) are two to three times lower in the legally recognised Indigenous territories than on lands outside of them.⁴

Having explicitly stated its interest in Indigenous Peoples' participation and in the Amazon Forest, and given the continued expansion of GCF financing on an international level, it is

1 It also has a readiness support programme to build capacity and help countries develop long-term plans to counter climate change.

2 Official information on the GCF's safeguards can be found in their website. URL: <https://www.greenclimate.fund/projects/safeguards/ip>

3 The report cited on the GCF's website that summarises these findings is: Timperley, J. (2020) Indigenous lands, protected areas limit Amazon's carbon emissions. URL: <https://www.climatechangenews.com/2020/01/27/indigenous-lands-protected-areas-limit-amazons-carbon-emissions/>

4 See Pollock, S. (n/a) Amazon indigenous peoples hold key to forest's futures. URL: <https://www.greenclimate.fund/story/amazon-indigenous-peoples-hold-key-forest-s-future>

relevant to examine its progress in Peru, the country that is home to the second largest area of Amazon forest (after Brazil). This report is divided into three parts. The first seeks to outline the progress of the GCF in Peru in a context in which access to information is sub-optimal but progress is being made in the submission of concept notes (potential projects) together with the approval of projects that might be considered in violation of Indigenous Peoples' rights.

The second part considers the limitations of the GCF in terms of Indigenous Peoples' rights. It focuses on two recently submitted concept notes and two projects already approved by the GCF in Peru, all of which required the technical opinion of the Ministry of Economy and Finance (MEF), which is Peru's National Designated Authority (NDA) for the GCF, and the Ministry of Environment (MINAM). The analysis finds that, despite existing safeguards, the approval mechanism for projects and programmes may still enable violations of Indigenous Peoples' rights. This analysis also discerns the potential for timely and equitable Indigenous participation that could deflect such violating tendencies.

Exposing the limitations of the GCF regarding Indigenous Peoples' affairs enables us to identify areas for improvement. The third part of this report proposes two strategic directions that could be taken jointly by the GCF, the MEF, the Accredited Entities and the Indigenous Peoples to strengthen safeguards. First, it proposes incorporating Free, Prior and Informed Consent (FPIC) and effective Indigenous participation into national no-objection procedures to projects, programmes and the Project Preparation Facility (PPF). The technical evaluation stages of the procedures, as set out in the MEF's GCF Operations Manual, are identified as key moments for doing this. Secondly, it proposes the institutionalisation of a formal space for ongoing coordination between the State and Indigenous Peoples in order to operationalise Indigenous Peoples safeguards with the aim of encouraging full respect, promotion and safeguarding of Indigenous Peoples in relation to climate finance, particularly the GCF.

The report reinforces arguments for adopting such measures in relation to climate actions and accessing climate finance, which are in line with the specific recommendations for Peru outlined by former UN Special Rapporteur, Vicky Tauli-Corpuz, in her 2016 annual report to the UN General Assembly: "Adopt all necessary policy, legal and administrative measures for the full recognition of the rights of indigenous peoples over their lands, territories and resources as enshrined in international human rights law" (2016: A/71/229). It is worth remembering in national and international climate change efforts that, as the Inter-American Commission on Human Rights points out, while environmental conservation is an important public imperative, it cannot be pursued at the expense of denying Indigenous Peoples' rights. Human rights obligations, and thus collective rights, also apply alongside those related to conservation (Tauli-Corpuz, 2016).⁵

The analysis and recommendations presented, which have been discussed and coordinated between 2019 and 2021 with a number of Indigenous representations in Peru (as indicated on the 'Collaborators' section), seek to contribute concrete aspects to the architecture provided by the GCF regarding Indigenous Peoples' rights. That said, the report does not attempt to establish a single position with regard to the climate strategies that each Indigenous organisation and government has been discussing and adopting. The report represents an effort to create a space in which to discuss the options and perspectives of the UNFCCC's processes and financing as this has, to date, offered one of the main arenas in which to

5 In her 2016 annual report to the UN General Assembly.

intervene to achieve the different climate strategies of the Indigenous Peoples, organisations and governments. The analysis recognises that Indigenous organisations and governments in Peru have been acting both within and outside of the UNFCCC framework to address the critical situation facing humanity and its peoples in relation to climate change. It also recognises their differentiated standings and continuous reflections about wider participatory and development paradigms.

This report has been prepared within the context of the project entitled “During COVID-19 and beyond: Ensuring respect for Indigenous Peoples’ rights in climate actions and recovery planning”, financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) with institutional support from the International Work Group for Indigenous Affairs (IWGIA) and Peru Equidad Centre for Public Policy and Human Rights. It has been produced in coordination with the Autonomous Territorial Government of the Wampis Nation (GTANW), the National Organisation of Indigenous Women (ONAMIAP), the Quechua Indigenous Federation of Pastaza (FEDIQUEP), the San Pablo de Tipishca Conservation Association (ACODECOSPAT), the Kichwa Organisation of Alto Tigre Peru-Ecuador Border (OPIKAFPE) and the Achuar Federation of Corrientes (FECONACOR) (the last four grouped into the PUINAMUDT platform, known as the *Cuatro Cuencas* / Four River Basins in Loreto). The work has received special contributions and coordination support from Melania Canales, Zulma Villa, Karem Escalante, Alfonso Lopez Tejada, Omar Saquiray, Aurelio Chino Dahua, Emerson Sandi Tapuy, Iglar Sandi, Teófilo Kukush Paati, Galois Flores Pizango, Shapiom Noningo, Dina Ananco, Teresa Noningo, Frederica Barclay, Yaizha Campanario, Renato Pita, Alison Hospina, Peter Rodriguez, and Angela Alfaro. It has been reviewed by Stefan Thorsell, Climate Policy Advisor at IWGIA.







PART 1.

Situation of the GCF in Peru

1.1. GCF architecture in Peru

The Conference of the Parties (COP) is the supreme body of the United Nations Framework Convention on Climate Change (UNFCCC) and comprises all State Parties to the treaty. Peru has been a party to the UNFCCC since 1992, ratifying it in 1993 by means of Legislative Resolution No. 26185.

The Green Climate Fund (GCF) was established at COP16 in 2010. As an operating entity of the UNFCCC's financial mechanism, it was decided that multilateral funding for climate change mitigation and adaptation would be channelled through the GCF. The GCF's Governing Instrument was approved one year later at COP17. This recognises developing countries' participation in climate finance decisions, which is why the National Designated Authority (NDA) or Focal Point for each country was created.

Under the GCF's Governing Instrument, all developing countries are eligible to receive financing from the Fund. Access to resources is through national, regional, and international entities accredited by the fund's Board.⁶ Recipient countries determine how to access funding by designating an NDA. The NDAs recommend funding proposals to the Board. These should be aligned with national strategic objectives and climate priorities and include consultation processes with the population likely to be affected by the interventions.

In Peru, the NDA is the Ministry of Economy and Finance (MEF).⁷ The MEF is the GCF's main point of contact in Peru and, as such, it has developed a regulatory framework of procedures that specify, among other things, the design and participation of citizens and entities in proposals submitted by Peru with the

6 The Board comprises 24 members and 24 alternate members with an equal number coming from both "developed" and "developing" countries. It is the body that governs and supervises the GCF; it has full responsibility for funding decisions and is accountable to the COP.

7 Specifically, the General Directorate of International Economic Affairs, Competition and Productivity of the Vice-Ministry of Economy (DGAEICYP).

aim of accessing the Fund's resources. These procedures are governed by guidelines and standards of varying scope.⁸

In addition to NDAs, the GCF has a working architecture that includes Accredited Entities. These are national organisations (with direct access) and international organisations (such as UN agencies, multilateral development agencies, bilateral, international, or regional financial institutions) accredited by the GCF Board. To gain accreditation, they must demonstrate sound management capacity (compliant with international financial standards) and the ability to protect projects and programmes from environmental or social harm (compliant with safeguards). The Fund's resources are deployed through the Accredited Entities once their funding proposals have been developed (and approved).⁹

The only Peruvian Accredited Entity currently accredited with the GCF is the Fund for the Promotion of Natural Protected Areas of Peru (PROFONANPE).¹⁰ In 2015, it obtained accreditation and approval of the first GCF-funded project in Peru and the world: the project "Building Resilience in the Wetlands of Datem del Marañón Province in Peru" under code FP001. In addition, in November 2015, Peru supported the nomination of the Avina Foundation, a region-wide NGO in Latin America, for accreditation as an Accredited Entity with the GCF. The Avina Foundation obtained this accreditation in 2016 and has been channelling support for adaptation planning for Peru (Readiness Support Proposal) since 2019.¹¹

Finally, there are other Accredited Entities operating in Peru, including: French Development Agency (AFD), World Bank, Inter-American Development Bank (IDB), Deutsche Bank, Development Bank of Latin America (CAF), Conservation International (CI), European Investment Bank (EIB), UN Food and Agriculture Organisation (FAO), Dutch Development Bank (FMO), German International Cooperation Agency (GIZ), International Fund for Agricultural Development (IFAD), International Finance Corporation (IFC), International Union for Conservation of Nature (IUCN), Japanese International Cooperation Agency (JICA), Development Bank of the State of the Federal Republic of Germany (KfW), Tokyo-Mitsubishi UFJ (MUFG Bank), United Nations Development Programme (UNDP), World Food Programme (WFP), World Meteorological Organisation (WMO) and World Wide Fund for Nature (WWF).

8 Until 2016, the Ministry of Environment (through the Vice-Ministry for Strategic Development of Natural Resources) was the Focal Point for Peru. This is a role created for developing countries that are party to the Convention and is intended to perform the functions of an NDA temporarily until an NDA can be officially designated. By unreferenced letter dated 24 June 2016, the Peruvian Ministry of Foreign Affairs informed the GCF that the Ministry of Economy and Finance would be the National Designated Authority for the fund. The first action of the Peruvian NDA in 2017 was to issue Supreme Decree No. 146-2017-EF setting out the requirements for producing no-objection letters to projects or programmes submitted to the GCF.

9 For a more detailed understanding of the Green Climate Fund and to review funding proposals, we recommend reading the guide prepared by GCfWatch and the Interamerican Association for Environmental Defense (AIDA): www.aida-america.org/en/a-guide-for-gcf-watch-coordinators

10 PROFONANPE is a national entity and a Peruvian environmental fund with a mandate to provide stable, long-term financing and to develop and implement strategies for the conservation and management of protected areas.

11 The nomination was made by the Ministry of Environment, as Focal Point for Peru. See: www.greenclimate.fund/sites/default/files/document/ae-nomination-fundacion-avina-peru.pdf. It is playing the same role of Accredited Entity for Readiness Support Proposals approved for Ecuador, Paraguay and Argentina between 2017 and 2019.

1.2. The GCF in relation to climate change policies in Peru

Alongside progress in the institutional framework for managing the GCF in Peru,¹² the Peruvian State has been developing and implementing the Framework Law on Climate Change, which was approved in April 2019 (Law No. 30754). Implementing regulations for this law are subject to prior consultation with Indigenous organisations and is enacted a few months later in December 2019 (DS No. 013-2019-MINAM). Both measures are established as frameworks in which to develop climate actions linked to the Framework Convention (UNFCCC) and are considered state-of-the-art in terms of developing country policy.

Chapter VII of the Framework Law and various articles of its implementing regulations refer to climate finance.¹³ The Framework Law emphasises the importance of Indigenous participation in the project cycle i.e., formulation, implementation, monitoring and evaluation. While it establishes a standard consistent with the State's obligation to ensure Indigenous participation, the decision-making processes and oversight capacity that would enable changes to be made to interventions harmful to Indigenous Peoples are not of a high standard.

In addition, the GCF procedures approved by the MEF, as NDA, do not refer to the national Framework Law on Climate Change and are limited to coordinating with the GCF's own procedures. Details of the limitations of both frameworks are discussed in more detail in Part 2 of this report.

1.3. Current GCF financing in Peru

There are three modalities or windows for GCF financing in developing countries:

- **Regular Windows**, which include:
 - o Funding Proposals (Adaptation and/or Mitigation Projects)
 - o Simplified Approval Process (SAP)
 - o Project Preparation Facility (PPF)
 - o Private Sector Facility (PSF)
- **Readiness Window** (*Readiness Support Programme*). Opportunities for capacity building on climate change issues in developing countries, including REDD+¹⁴ and National Adaptation Plans.
- **Special Calls**. GCF initiatives to cover funding gaps in specific areas and thus expand its activities. One of these non-regular actions of the GCF is the REDD+ Results-Based Payments Programme.

From the existing windows, as of November 2021, financing had been obtained in Peru through the Readiness Window (eight Readiness Support Proposals approved) and the Regular Window via Funding Proposals for Adaptation and Mitigation Projects (four projects

12 Designation of the MEF as NDA and the approval of internal procedures for accessing GCF resources between 2016 and 2020, in particular.

13 The following articles in the Framework Law refer to climate finance and Indigenous participation: Article 10. High Level Commission; Chapter VII Climate Finance; Article 23. Financing; Article 22. Indigenous participation. With regard to the Implementing Regulations for Law No. 30754. Its articles of relevance to this issue include 12.2, 14.1 and 17.

14 REDD+ refers to reducing emissions from deforestation and forest degradation

approved and five in the pipeline). No proposals have yet been submitted via the SAP, PPF, PSF or Special Calls.¹⁵

The Fund is investing USD 54.0 million in the **four projects approved** in Peru.¹⁶ One of the projects is exclusive to Peru while the other three form part of multi-country projects (see Table 1). **The four projects approved involve Amazonian and Andean Indigenous Peoples' territories but only one takes Indigenous safeguards into consideration** (the one being implemented in Datem del Marañón Province, FP001) (See Table 1). Following questions raised by the Independent Redress Mechanism (IRM), this project now includes Indigenous safeguards.¹⁷ The observations made by the IRM are currently being implemented (for more detail on this case, see section 2.2).

15 This section includes information published on the official website of the Green Climate Fund for Peru as revised in November 2021.

16 Total investment in the four projects come to USD 4957.4 million (one project exclusive to Peru and three multi-country projects). Given that the GCF's official website indicates that the Green Climate Fund is investing USD 54.0 million in Peru and that the project being implemented solely in Peru invests USD 6.24 million, we can estimate that the investment in Peru in the three multi-country projects accounts for the remaining USD 47.76 million (although it merits financial clarification). The reference to USD\$54.0 million invested in Peru seems to consider the amount exclusively granted by the GCF (and does not consider the co-financed amounts).. The website also notes that "the amount of GCF funding allocated to each country is an estimate based on the best information available to the Secretariat. Unless the allocation information is provided in funding proposals or by accredited entities, the funding amounts are evenly distributed to each country according to the number of targeted countries. As the estimates will be updated once expenditure information is received, there may be modifications to the data in the coming months." See URL: <https://www.greenclimate.fund/countries/peru>

17 It is worth noting that, at the time of its approval, there was no Indigenous Peoples Policy in the GCF. The shortcomings in relation to Indigenous Peoples' rights identified in this project led to the approval of such a policy in 2018.

Table 1.
The four approved Adaptation and Mitigation Projects involving Peru as of December 2021.

PROJECT Code and Name ¹⁸	ENTITIES Accredited Entity (AE)/Implementing Entity (IE) DURATION Date of approval/ Implementation start date/ Estimated completion date VALUE (USD)	OBJECTIVES ¹⁹	SCOPE BENEFICIARIES RESULT AREAS ²⁰
FP001 Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru ²¹	AE and IE: PROFONANPE Duration: 5 years Approval: 05 Nov 2015 Start date: 10 Mar 2017 Completion: 10 Mar 2022 (Project approved and under implementation) Total financing: USD 6,240,000 68.5% GCF Donation. 31.5% Co-financing. Public Sector Finance	To improve the resilience capacities of Indigenous communities living in wetland ecosystems rich in carbon stocks in the Datem del Marañón Province of Loreto region and to improve their livelihoods and reduce the greenhouse gas emissions caused by deforestation.	<i>Area:</i> Datem del Marañón Province, Peru <i>Beneficiaries:</i> Indigenous Peoples: Awajún, Achuar, Chapra, Kandozi, Quechua, Wampis and Shawi 20,413 people (direct and indirect) from 120 Native Communities (CCNN) (Pastaza and Marañón-Morona basins) <i>Result areas:</i> Mitigation (reducing emissions from): Forest and land use Adaptation (increasing the resilience of): Vulnerable population and communities
F128 Arbaro Fund - Sustainable Forestry Fund ²²	AE: MUFG ²³ Bank (Tokyo) IE: AIFM, Arbaro Fund SLP and Arbaro I GP Sàrl (Luxembourg) ²⁴ Duration: 13+1 years Approval: 12 Mar 2020 Start date: 30 Oct 2020 Completion: 30 Oct 2034 (project approved and under implementation) Total financing: USD 200 million 12.5% GCF Capital (Equity). 87.5% Co-financing. Private Sector Financing	To invest in sustainable forest plantation projects in emerging forest markets in Latin America and sub-Saharan Africa while bringing adaptation co-benefits. Sustainable timber production and conservation of natural forests while contributing to a reduction in illegal logging.	<i>Area:</i> 7 countries: Ethiopia, Ghana, Sierra Leone, Uganda, Ecuador, Paraguay, Peru <i>Beneficiaries</i> 14,000 men / 6,000 women (direct) ²⁵ <i>Result areas:</i> Mitigation (reducing emissions from): Forest and land use.
FP149 Green Climate Finance Facility for Local Financial Institutions in Latin America ²⁶	AE: Andean Development Corporation (CAF) Approval: 13 Nov 2020 (project approved; not yet under implementation) Total financing: USD 150.2 million 66.6% GCF loan (95%) and donation (5%). 33.4% Co-financing donation. Private Sector Financing	To reduce greenhouse gas emissions through locally developed and financed climate change projects for micro, small and medium enterprises (MSMEs) in the renewable energy, energy efficiency and land-use sectors. It will provide credit lines, grants, etc.	<i>Area:</i> 4 countries: Chile, Panama, Ecuador, Peru <i>Result areas:</i> Mitigation (reducing emissions from): Buildings, cities, industries, and appliances; Energy generation and access; Forest and land use.

18 In the Spanish version of this report, translations of project titles were carried out by the consultants and are not official.

19 In Tables 1, 2 and 3, the content underneath “Objectives” refers to official information in the documents available on the GCF website.

20 The GCF has eight result areas for climate change mitigation and adaptation.

21 Link to concept note: <http://greenclimate.fund/project/fp001>

22 Link to concept note: greenclimate.fund/project/fp128

23 Mitsubishi UFJ Financial Group registered in Tokyo, Japan.

24 AIFM refers to the Fund Manager FiM Asset Management Sàrl. Arbaro Fund refers to Arbaro Fund SLP. Arbaro I GP refers to Arbaro I GP Sàrl. All are registered in Luxembourg.

25 The breakdown by country is in Annex 17, which is not publicly available on the website.

26 Link to project details: www.greenclimate.fund/project/fp149. The approved funding proposal could not be

PROJECT Code and Name ¹⁸	ENTITIES Accredited Entity (AE)/Implementing Entity (IE) DURATION Date of approval/ Implementation start date/ Estimated completion date VALUE (USD)	OBJECTIVES ¹⁹	SCOPE BENEFICIARIES RESULT AREAS ²⁰
<p>FP 173</p> <p>The Amazon Bioeconomy Fund: Unlocking private capital by valuing bioeconomy products and services with climate mitigation and adaptation results in the Amazon.²⁷</p>	<p>AE: Inter-American Development Bank</p> <p>Duration: 7 years Approval: 07 Oct 2021 (Project approved; not yet under implementation)</p> <p>Total financing: USD 598.1 million GCF financing USD 279m (46.6% of total; USD 279m as grant; USD 137.5m as loan; USD 6.5m in equity) Co-financing (53.4%):</p>	<p>To reduce the impacts of climate change and greenhouse gas emissions in the Amazon by shifting toward business models and technologies that make sustainable use of natural capital and forest assets.</p> <p>To increase the region's climate resilience by encouraging private investment in bioenterprises.</p> <p>A combination of financial instruments (sovereign investment loans, green bonds, repayable investment grants, venture capital investments (equity), guarantees) and technical assistance will be provided to de-risk bioenterprises in the Amazon. Efforts will be made to increase financial availability, improve appropriate project concepts and increase business development support (through knowledge and institutional mechanisms) in order to encourage greater investment in the six key areas of the bioeconomy: sustainable agroforestry, native palm cultivation, non-timber natural forest products, growing native species timber, aquaculture and community-led nature tourism.</p>	<p>Area:</p> <p>6 countries: Brazil, Colombia, Ecuador, Guyana, Peru, Suriname</p> <p><i>Beneficiaries:</i> Directly, 191,952 persons Indirectly, 485,375 persons (50% women) 52,299 bio-business (58% are majority owned by women)</p> <p><i>Result areas:</i> Mitigation (reducing emissions from): Ecosystems and Ecosystem Services; Forest and land use Adaptation (increasing the resilience of): Vulnerable population and communities</p>

The GCF website currently officially shows **six Funding Proposals in the pipeline** (in the form of concept notes). Three concept notes were submitted in 2018, one in 2019 and two in 2020. Although four of the six involve Amazonian and Andean Indigenous Peoples, **only two specifically consider Indigenous Peoples safeguards** (see Table 2). The fact that concept notes have been submitted to the GCF Board and are posted on the GCF website does not necessarily mean they will be developed into full proposals. In fact, we know that for some of them the respective Accredited Entities have dismissed the possibility of developing them into complete proposals, preferring to submit new ones in which institutional alliances are re-organised and contents modified more strategically. These are decisions and new proposals that do not need to be made public by the Accredited Entities and the NDA until they are formally presented and, therefore, do not necessarily appear updated on the FVC website.

found for this project on the official project's website, so the information in the table is not complete. URL Accessed 02 December 2020.

27 Link to full proposal: <http://greenclimate.fund/project/fp173>





Table 2.

The six Funding Proposals in the pipeline (in the form of concept notes) that involve Peru, as of December 2021.

PROJECT Name Date of submission	ENTITIES Accredited Entity (AE)/ Implementing Entity (IE) DURATION Date of submission/ Estimated period of implementation ESTIMATED VALUE (USD)	OBJECTIVES	SCOPE BENEFICIARIES RESULT AREAS
<p>Scaling up regional action to reduce deforestation and increase resilience to climate change under the framework of the Leticia Pact for the Amazon (Bolivia, Brazil, Colombia, Ecuador and Peru)²⁸</p>	<p>AE: Conservation International</p> <p>Submission: V.1. 16.09.2020 V.2. 21.12.2020</p> <p>Value: USD 133 million²⁹</p>	<p>Increased regional collaboration and replication of effective mitigation and adaptation strategies from key geographical areas in order to mobilise greater private sector investment, facilitate the scaling up of innovation, and create efficiencies by leveraging technical resources, data and best practices across countries.</p> <p>Working within the framework of the ground-breaking Leticia Pact for the Amazon, the programme will support Bolivia, Brazil, Colombia, Ecuador and Peru to improve the management of at least 35 million ha of forest, reduce emissions by approximately 31.6 MtCO₂e and increase the resilience of 3.8 million ha. and millions of rural and urban inhabitants in the selected landscapes, in addition to supporting diversified, climate-resilient livelihood options for at least 320,000 vulnerable people.</p> <p>The programme proposal and implementation will adopt and incorporate the GCF's Indigenous Peoples Policy, ensuring Free, Prior and Informed Consent and Indigenous Peoples Plans (IPP) or an Indigenous Peoples Planning Framework (IPPF).</p>	<p><i>Area</i> Bolivia (Plurinational State), Brazil, Colombia, Ecuador, Peru</p> <p><i>Beneficiaries</i> 3.8 million inhabitants of the Amazon basin</p> <p><i>Beneficiaries</i> Directly, 3,623,784 people Indirectly, 4,424,621 people Estimated adaptation impact, 26% of the country's total population</p> <p><i>Result areas:</i> Mitigation (reducing emissions from): Ecosystems and Ecosystem Services; Forest and land use Adaptation (increasing the resilience of): Vulnerable population and communities</p>
<p>Strengthening the prevention and attention of forest fires intensified by climate change in Peru³⁰</p>	<p>AE: PROFONANPE IE: SERNANP/ PROFONANPE</p> <p>Submission: 06 April 2020 Period of implementation: 48 months</p> <p>Value: USD 11 million (total) USD10 million GCF financing (grant) USD1 million co-financing (public sector, PROFONANPE)</p>	<p>Beyond the prompt attention of SERNANP to forest fires, the country is moving towards a culture of prevention by articulating various sectors. However, additional support is required to attend the climatic emergency at the speed it is moving, which must be seen beyond the limits of the natural protected areas (NPAs) with a territory approach.</p> <p>The project will address these problems by scaling up the experience developed in SINANPE and consolidating the work done by the Government of Peru through the articulating role of SERNANP, which coordinates with other national, subnational and local government agencies, and other local stakeholders. Activities considered involve mainly trainings, procurement of equipments, implementation of safety conditions for staff involved in forest fires management, improvement and implementation of policies, and common planning of government institutions in this matter. Through planned activities, the project will generate capacities to ensure maintenance of ecosystems and their services provision, causing positive effects. To implement activities and capacity building, the same participation opportunities will be given for men and women.</p>	<p><i>Area</i> 32 Natural Protected Areas (5,861,410 ha); 36 buffer zones³¹</p> <p><i>Beneficiaries</i> Directly, 3,623,784 people Indirectly, 4,424,621 people Estimated adaptation impact, 26% of the country's total population</p> <p><i>Result areas:</i> Mitigation (reducing emissions from): Ecosystems and Ecosystem Services</p>

28 Link to proposal: <https://www.greenclimate.fund/document/scaling-regional-action-reduce-deforestation-and-increase-resilience-climate-change-under>

29 Indicative total project cost taking GCF funding and co-financing into account. Additional co-financing is expected; the total project size may reach USD 200 million.

30 Link to proposal: <https://www.greenclimate.fund/document/strengthening-prevention-and-attention-for-forest-fires-intensified-climate-change-peru>

31 Regarding the 32 Natural Protected Areas, no specification of which ones is included. Regarding the 36 buffer zones, it is noted: "all of them located in areas classified as dangerous for forest fires of a very high and high category, according to the National Center for Estimation, Prevention and Reduction of Disaster Risk (CENEPRED, 2018)." Communities are not considered in the Concept Note.

PROJECT Name Date of submission	ENTITIES Accredited Entity (AE)/ Implementing Entity (IE) DURATION Date of submission/ Estimated period of implementation ESTIMATED VALUE (USD)	OBJECTIVES	SCOPE BENEFICIARIES RESULT AREAS
		The project will not affect vulnerable populations such as indigenous communities or children and only considers green infrastructure for water reservoirs in locations property of SERNANP. ³²	
Scaling the Communal Reserve Co-management Model to Reduce Emissions and Build Resilience of Indigenous People in the Peruvian Amazon, Peru ³³	AE: Conservation International IE: CI Peru Submission: V.1. 10.10.2019 V.3. 27.05.2020 Period of implementation: 6 years Value: USD 50 million (total) USD 35,000 GCF financing (grant) USD 15,000 co-financing (budget from the Peruvian government, grants from international donors)	It aims to empower indigenous people to adapt to increased temperatures, changing rainfall patterns, and resultant negative impacts on food security and livelihoods while protecting, restoring and sustainably managing 5 million ha of forests to reduce 4.8 MtCO ₂ e ₄ of emissions in the Peruvian Amazon. These goals will be achieved and sustained through the establishment of a green business facility with the participation of private and public stakeholders that will provide the financial and technical means needed to effectively implement the Communal Reserve management model and sustainable management of the surrounding areas. The project will be designed through a participatory process with representatives of the affected indigenous communities, and indigenous groups will be responsible for implementation of many of the project activities. ³⁴	<i>Area</i> Peru, 10 Communal Reserve Landscapes: Machiguenga, Chayu Nain, Yanesha, El Sira, Purus, Airo Pai, Amaraaeri, Ashaninka, Tuntanain, Huimeki. <i>Beneficiaries</i> Directly, 42,000 Peruvian Amazonian indigenous peoples (19 indigenous groups), which is equivalent to 10% of the Amazonian indigenous population; 194 indigenous communities. Indirectly, 285,179

32 One of the activities in the concept note (Concept Note FF, 2020: 6; Activity C2) includes “Update the Strategy for Forest Fire Risk Management in SINANPE 2023-2027”, which could contemplate the recommendations made in Section 2.1 of this report on local and Indigenous Peoples’ participation in risk management. Regarding the investment criterion on “Sustainable Development” (Concept Note FF, 2020: 6), reference is made to the participation and accountability of the populations and the gender approach: “The project is expected to generate a variety of benefits, including improved and coordinated governance, reduced damage from natural disasters, and increased participation and accountability of populations. In addition, the project will promote management and articulation activities with a gender perspective through participatory diagnoses, dissemination of information in spaces that strengthen equitable access, among others. The project will ensure that the trainings have a special focus on the differentiated needs of women and men. At least 40% of the beneficiaries of these training courses will be women.” This may contradict what is stated in the project objectives (see Concept Note, 2020: 2) where it is clearly stated that the project will not affect vulnerable populations.

33 Link to proposal: <https://www.greenclimate.fund/document/scaling-communal-reserve-co-management-model-reduce-emissions-and-build-resilience>

34 Some outputs and activities include: (1.1) The design and implementation of a communication and outreach strategy by indigenous people to indigenous and other audiences with ANECAP and the ten ECAs; (1.2) Governance trainings to Indigenous communities and revision of governance structure for communities, with additional institutional infrastructure designed and implemented if needed, based on their traditional structures; (2.1) The establishment of strategic alliances with key public entities (SERNANP, SERFOR, PNCB, Regional Governments, and Local Governments), the implementation of agroforestry systems, and the interconnection of the monitoring and surveillance system of the ten ECAs. Support to the evolution from subsistence crops to more advanced agriculture production systems through a combination of modern techniques and traditional knowledge; (2.2.) The creation of mechanisms to ensure that traditional knowledge will be recovered, valued, protected, and mainstreamed into sustainable forest management and conservation programs; (3.1.) Development of Payment for Ecosystem Services systems on Communal Reserve Landscapes. Ensure RIA is viable in the each of the ten Communal Reserves; (3.2.) Link the design and implementation of Communal Reserve master plans, community Life Plans, the development plans of other beneficiary populations and other management instruments with development plans of local and regional governments, and management plans of other key entities. Enhance and support the ECA participatory processes to ensure involved community members in decision making; (3.3.) The establishment a green business facility to coordinate blended finance of the Communal Reserve Landscape, including a board of directors that includes indigenous representatives;

PROJECT Name Date of submission	ENTITIES Accredited Entity (AE)/ Implementing Entity (IE) DURATION Date of submission/ Estimated period of implementation ESTIMATED VALUE (USD)	OBJECTIVES	SCOPE BENEFICIARIES RESULT AREAS
		The GCF's Indigenous People's Policy and Peruvian legislation will be strictly applied throughout the project's design and implementation. The sustainability of the project's activities will be ensured through the establishment and operationalization of a green business facility that will use a blended finance approach in collaboration with public and private stakeholders to incentivize transformative economic activities that enable indigenous communities and others in these landscapes to increase productivity with sustainable techniques and access to supply chains that provide continuous demand for local production. ³⁵	people living in populated centres and municipalities surrounding the project area, which include the buffer one and other areas around the reserves (i.e., the landscape of the Communal Reserve) <i>Results areas:</i> Mitigation (reducing emissions from): Forest and land use Adaptation (increasing the resilience of): Most vulnerable population and communities; Health and well-being, and food and water security; Ecosystem and ecosystem services

establishment of strategic alliances with private sector companies such as AJE and Ecotierra for training and development of technical, administrative, and managerial capacities; development and consolidation of value chains of prioritized products. Improvement of the Conditional Direct Transfers initiative of the National Forest Conservation Program (PNCB). The project will turn the Conditional Direct Transfers into green business investments. This tripartite (communities, government/NGO) cooperation has great potential to scale up the impact of the PNCB and is already being implemented in the Awajun communities of Alto Mayo, where Conservation International is helping the PNCB meet conservation goals while helping communities develop green businesses opportunities for products such as teas from medicinal plants, as well as tourism enterprises.

35 It is worth noting the references to “successful examples” in Communal Reserves and part of the role potentially played by the private sector in the proposal: “An example of this transformative change is the experience of Yaneshsa [Communal Reserve], which is sustainably producing Eshpe and Koyaneshsa cacao without deforestation and has successfully sold this project nationally and internationally (currently being sold to a Belgian chocolate maker). The development of value-added products from the Amazon, such as beverages from camu-camu, cocoa, aguaje fruit, native vanilla, and teas with native ginger, in collaboration with industry leaders such as AJE Group [a multi-national beverage company based in Peru] represent viable alternatives for communities as well a non-timber forest product such as bamboo composites for new-build construction. These types of business opportunities could contribute to improve the livelihoods of communities, provide the necessary funding for conservation, and contribute to Peru’s NDC and Peru’s contributions to SDG [Sustainable Development Goal 5: Life on land] achievement. In addition to this, the generation of income from emission reductions as part of the implementation of RIA [Amazon Indigenous REDD+] will be developed, as well as improving access to public funding through government programs such as the National Forest Conservation Program [of the Ministry of the Environment], Agroideas [The Compensation Program for Competitiveness of the Ministry of Agriculture], and others such as Tax for Infrastructure programs [(in Spanish “obras por impuestos”), [which seeks to encourage private investment in public works projects by offering private businesses tax rebates for the full amount of the investment, subject to limitations]. Business opportunities will be developed in a phased approach (see Appendix 9) in the Communal Reserves during project implementation, taking into consideration the communities’ capacity and their readiness level, as well as feasibility studies and green business prospecting activities” (Concept Note CR, 2019: 6).

PROJECT Name Date of submission	ENTITIES Accredited Entity (AE)/ Implementing Entity (IE) DURATION Date of submission/ Estimated period of implementation ESTIMATED VALUE (USD)	OBJECTIVES	SCOPE BENEFICIARIES RESULT AREAS
Ecosystem-based Adaptation and Financing for Alpaca and Vicuña Herders (AbE-FAV)³⁶	AE: PROFONANPE IE: The Mountain Institute, Oikos, COOPECAN ³⁷ Submission: 26 October 2018 Period of Implementation: 5 years Value: USD 13,499,092 million (total) USD 5,134,092 GCF financing (grant) USD 1,995,00 IDB (grant+loan) >USD 6,370,000 COOPECAN (worth in assets and workforce)	<p>To increase water security through an ecosystem-based adaptation (EbA) approach linked to a sustainable credit mechanism, while avoiding the release of significant quantities of soil organic carbon (SOC) to the atmosphere. Project specific objectives are: 1) Knowledge to support innovations; 2) Innovations to increase resilience; 3) Sustainable financial mechanisms; 4) Consolidation of cooperative institutional arrangements; 5) Communication to increase investment of society, private and public sectors in the alpaca economy and puna ecosystem; (6) Management of Andean wild vicuña</p> <p>The proposal has been designed in full consultation with COOPECAN, a cooperative managed with high labor standards that groups 17 organizations of alpaca and vicuña producers with more than 1200 households who develop their economic activities in their own lands.</p> <p>Project activities will mostly generate positive impacts on high Andes ecosystems, as well as on project beneficiaries. Through a combination of technological innovations and ecosystem restoration, water supply and quality will be secured allowing alpaca producers to sustainably intensify their production.</p> <p>The environmental impact of the alpaca's production increase will be minor as this species has evolved with Puna ecosystems and due to their anatomic physiology, they don't degrade the Andean soils. Furthermore, the project will promote the improvement of sustainable management of vicuñas (Vicugna vicugna) contributing to its population conservation.</p> <p>Project results will contribute to secure land tenure rights of herders, and will affirm the cultural heritage of South American herding societies through the co-development of technologies that will make their economy formal and competitive. This will reduce rural migration by improving the profits and the opportunity cost of the producers.</p>	<p><i>Area</i> Peru: Arequipa, Apurímac, Ayacucho, Cusco.</p> <p><i>Beneficiaries</i> Indirectly: aprox 8,565 families in the 24 districts where COOPECAN is present (17 organizations of alpaca and vicuña producers with more than 1200 households involved). 500 direct loans.</p> <p><i>Results areas:</i> Mitigation (reducing emissions from): Forest and land use Adaptation (increasing the resilience of): Most vulnerable population and communities; Health and well-being, and food and water security; Ecosystem and ecosystem services</p>
Geothermal Development Facility (GDF) Latin America³⁸	AE: KfW Development Bank IE: GDF Latin America Foundation Submission: 18 October 2018 Period of implementation: 10 years	<p>The Geothermal Development Facility Latin America Bank (GDF) is the first coordinated climate initiative to promote the development of geothermal energy on a continental scale. Structured by KfW Development Bank on behalf of the German Government and the European Union's Latin America Investment Facility (EU-LAIF), it by now counts with the support of 13 donors and financiers (World Bank / ESMAP, IDB, CAF, CABEL, AfD, JICA, EIB, BGR, GIZ, NDF) as well as the Latin American Energy Organization (OLADE).</p>	<p><i>Area</i> Argentina, Bolivia, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru - Latin America</p>

36 Link to proposal: <https://www.greenclimate.fund/document/ecosystem-based-adaptation-and-financing-alpacas-herders-and-vicu-abe-fav>

37 COOPECAN refers to Production and Special Services Cooperative of Andean Camelid Producers

38 Link to proposal: <https://www.greenclimate.fund/document/geothermal-development-facility-gdf-latin-america>

PROJECT Name Date of submission	ENTITIES Accredited Entity (AE)/ Implementing Entity (IE) DURATION Date of submission/ Estimated period of implementation ESTIMATED VALUE (USD)	OBJECTIVES	SCOPE BENEFICIARIES RESULT AREAS
	Value: EUR 1160-1210 millions (total) EUR 50-100 millones GCF financing (grant) Co-financing: KfW Development Bank as lead financing institution. EUR 35 millions German Government (grant) EUR 25 millions European Union (grant) EUR 300 millions Project Developers (equity) EUR 750 min. millions KfW, CAF, BCIE, EIB, AfD plus IDB, IBRD, JICA (TBD) (senior loans)	The overall objective of the program is to contribute to a paradigm shift towards geothermal as the clean technology option of choice for new base-load electricity generation capacity in Latin America by (i) providing tailored financial instruments to fast-track geothermal energy projects; thereby (ii) generating significant GHG emission savings by decoupling economic growth from GHG emission growth and thereby substantially enhancing individual countries' efforts to meet the aims set in their respective Nationally Determined Contributions (NDCs); (ii) enhancing energy security through contributing to the diversification of the energy matrix; (iii) improving the resilience of local economies and populations to external-induced fossil fuel price shocks; (iv) increasing the competitiveness of local industries; (v) generating significant direct and indirect employment effects in order to improve the basis for poverty reduction and social development in the region. ³⁹	<i>Beneficiaries</i> Public, Private and Public-Private Partnership Geothermal Project Developers <i>Result areas</i> Mitigation (reducing emissions from): Energy access and power generation Adaptation (increasing the resilience of): Most vulnerable population and communities
Peru REDD+ RBP for 2016-2018 results period⁴⁰	AE: To be determined NDA: Ministry of Economy and Finance, Peru REDD-plus entity/ focal point: Ministry of Environment, Peru Submission: 18 October 2018 Results period: 2016-2018 Value: n/a	The National Forest and Climate Change Strategy (ENBCC, by the Spanish Abb NFCCS) is being already implemented through different projects and initiatives. In addition to the NFCCS, the Ministry of Environment approved the guidelines for the management and implementation of REDD+ by ministerial resolution N°187-2016-MINAM2, showing the alignment of the NFCCS to other climate change instruments, such as the National Climate Change Strategy. Regarding the development of a National Forest Monitoring System (NFMS), Peru has developed a protocol for measuring changes in forest cover and mapping forest lands that has been successfully implemented in the Peruvian Amazon, generating the data that is reported further below in this submission. This protocol is applied in the platform known as "Geobosques".	<i>Area</i> Peru, sub-national: <u>the entire Peruvian Amazon</u> (approx. 78,308,801 ha) ⁴¹

³⁹ Regarding the Environmental and Social Assessment, the concept notes does not mention the GCF Indigenous Peoples Policy (IPP) and rather mentions the IDB Operational Guidelines for Indigenous Peoples Policy, which has been criticised by Indigenous organisations for having lower standards: "Any project receiving support from the GDF will not only have to adhere to all relevant local licensing, environmental and social, as well as tax regulations but also adhere to KfW Operational Guidelines for Environmental and Social issues of Financial Cooperation as well as the KfW Guidelines for Procurement of Goods, Works and associated Services in Financial Cooperation with Partner Countries. The KfW Operational Guidelines in this case entail the relevant World Bank Safeguards, as well as the relevant World Bank EHS Guidelines, the World Bank EHS Sector Guidelines for Geothermal Energy and the IDB Operational Guidelines for the Indigenous Peoples Policy not only throughout the process of exploration but throughout their respective construction and operational lifetime. IDA Fund Management and/or any other GDF stakeholder involved will regularly monitor project implementation of projects that have received support from the Risk Mitigation Fund and/or any of the Investment Financing Windows administered independently by the respective GDF stakeholders" (2018: 16-17). This may be because the IPP was not yet in effect at concept note submission; in any case, there is no more recent version updating the concept note that references the IPP.

⁴⁰ Link to proposal: <https://www.greenclimate.fund/document/peru-redd-rbp-results-period-2016-2018>

⁴¹ Peru's proposed subnational Forest Reference Emission Level (FREL) includes the entire Amazonian biome of Peru.

PROJECT Name Date of submission	ENTITIES Accredited Entity (AE)/ Implementing Entity (IE) DURATION Date of submission/ Estimated period of implementation ESTIMATED VALUE (USD)	OBJECTIVES	SCOPE BENEFICIARIES RESULT AREAS
		<p>For the construction of its Forest Reference Emission Level (FREL), Peru prioritized the emission reduction from deforestation activities as a REDD+ eligible activity. The FREL analyses the deforestation of the Amazon biome for the period 2001-2014. In the coming years, the NREF will be updated, including the Andean biome and the Peruvian Coast biome, as well as the UNFCCC REDD+ activity, "reduction of emissions due to forest degradation". The estimated emission reduction for 2016 is 6'005,528.1 tCO₂e and 13'114,180.5 tCO₂e for 2017.</p> <p>MINAM through the DGCCD has worked on a REDD+ Safeguards roadmap that was approved in April 2017, and it identifies what is necessary for the country to address the safeguards, as required by the UNFCCC. The mentioned roadmap identifies the 4 processes led by MINAM that are necessary to develop the Safeguards System (SIS) in Peru: (a) Interpretation and conceptualization of safeguards; (b) Process of design and implementation of a SIS; (c) Processes of participation and capacity building of actors; (d) Process of communication of information to the UNFCCC.</p> <p>To promote sustainable, competitive and climate-smart agriculture and livestock farming that will reduce pressure on forests; <u>Complete forest zoning, land classification and allocation of land rights</u> within forests and surrounding areas and financing of forest management activities.⁴²</p>	<p>Peru is planning to access to RBP from the Amazon biome jurisdiction. The scale is subnational as it does not include all the forests in the country.</p> <p><i>Beneficiaries</i> n/a</p> <p><i>Result areas</i> n/a</p>

In terms of Readiness Proposals, there were **eight proposals approved** between 2017 and 2021 and one Readiness Grant Agreement approved in June 2018. The nine projects amount to over USD 5.5 million. **None of them envisage the explicit involvement of Indigenous Peoples** in their design (See Table 3). PROFONANPE benefits from at least five of the eight proposals.⁴³

42 Regarding the development of a Safeguards System in Peru, this conceptual note, presented in 2018, indicates: "Si bien el SIS está en construcción, el Perú cuenta con otros instrumentos que contribuyen a garantizar que los derechos de la sociedad civil sean considerados en el proceso de decisión de las políticas públicas, especialmente de los pueblos indígenas. La ley N°29785 "Ley de Consulta Previa" es un ejemplo donde se reconocen los derechos de los pueblos indígenas a la consulta, tal como lo solicita el Acuerdo N°169 de la OIT. La construcción del SIS está considerando la participación de diferentes actores, con especial énfasis en las organizaciones indígenas. El MINAM está ayudando a desarrollar capacidades entre las organizaciones indígenas, para que puedan participar de manera efectiva en el proceso participativo. De hecho, durante todo el proceso REDD+ en el país, han existido diferentes iniciativas que han buscado fortalecer las capacidades de los actores involucrados, provenientes del gobierno, sociedad civil y organizaciones indígenas. Durante 2018 se van a realizar varios talleres y eventos participativos en el marco de la plataforma "Diáloguemos"8. Hasta noviembre de 2018 se tiene planificado 1 taller para trabajar en la definición de acciones REDD+ vinculadas a las salvaguardas y 8 talleres para trabajar en la narrativa de salvaguardas. Todos estos eventos se realizarán dentro de las regiones del bioma amazónico (Loreto, Amazonas, San Martín, Ucayali, Cusco, Loreto, Madre de Dios, otras). Perú completará el primer resumen informativo sobre cómo se están abordando y respetando las salvaguardas de REDD+ en noviembre de 2018 y será presentado a la CMNUCC" (2018: 4). The "Observatory" proposal indicated in Section 3 of this report appears as an alternative to provide feedback on the qualitative progress of this kinds of participatory initiatives that the NDA formally proposes to FVC.

43 According to the Readiness Proposal approved in December 2021 (p. 18-19): "PROFONANPE has received three readiness grants from the GCF. The first readiness grant was approved in December 2017 and was focused on capacity strengthening for project management throughout GCF's project cycle, the development of technical tools to support Concept Note development. The second grant was approved in January 2019





Table 3.
The eight approved Readiness Proposals involving Peru as of December 2021.

READINESS PROPOSALS APPROVED	IMPLEMENTING INSTITUTION DURATION Date of approval/ Estimate period of implementation VALUE (EUR or USD)	CONTENT	AREA / BENEFICIARIES
<p>Fortalecimiento de la capacidad de las Entidades de Acceso Directo a través de la Comunidad de Práctica para Entidades de Acceso Directo (CPDAE) para acceder a financiamiento climático e implementar programas y proyectos de adaptación y mitigación⁴⁴</p> <p><i>Strengthening the capacity of Direct Access Entities through the Community of Practice for Direct Access Entities (CPDAE) to access climate finance and implement adaptation and mitigation programs and projects</i></p>	<p>Implementing institution: GIZ (delivery partner) Approval: 30 December 2021 Period of implementation: 24 months</p> <p>Value: EUR 91.881,00</p>	<p>Part of an ongoing effort to further the complementarity and coherence between the Adaptation Fund (AF) and the Green Climate Fund (GCF) through the Community of Practice for Direct Access Entities (CPDAE). The aim is to strengthen the CPDAE at an institutional level, and the capacity of its members to perform better and access climate finance and develop and implement adaptation and mitigation projects and programs efficiently.</p>	<p><i>Area</i> 15 countries: Argentina, Armenia, Belize, Benin, Bhutan, Colombia, Costa Rica, Georgia, Mexico, Micronesia (Federated States of), Niger, Panama, Peru, Senegal, Togo.</p> <p><i>Beneficiaries</i> CPDAE members⁴⁵</p>

and has strengthened PROFONANPE's capacities on Environmental and Social Management System (ESMS) auditing, project design, institutional quality management, impact evaluation, monitoring, procurement, and gender mainstreaming. The last GCF Readiness grant was approved in February 2020 and focuses on boosting the capacities of PROFONANPE to manage GCF resources more effectively and supporting a new entity for its accreditation to the GCF. PROFONANPE also received a readiness grant from the AF in December 2016 to develop procedures manuals/guidelines for project screening and assessment on environmental and social risks, as well as to develop a gender policy in relation to AF projects. For the Readiness request in December 2021, PROFONANPE would also share and further strengthen its technical knowledge on project management, project development and implementation, ESS, and gender mainstreaming (Activity 1.2.4. and Activity 4.2.1)."

44 Link to proposal: <https://www.greenclimate.fund/document/strengthening-capacity-direct-access-entities-through-community-practice-direct-access>

45 According to the proposal (p.5), given that the membership for CPDAE remains open to all accredited National Implementing Entities of the Adpatation Fund (AF) and Direct Accredited Entities of the GCF, the list of the beneficiaries may evolve.

READINESS PROPOSALS APPROVED	IMPLEMENTING INSTITUTION DURATION Date of approval/ Estimate period of implementation VALUE (EUR or USD)	CONTENT	AREA / BENEFICIARIES
<p>Recuperación verde post COVID-19 para la seguridad alimentaria, de la salud y el agua fortalecida por innovaciones financieras y tecnológicas en países de América Latina⁴⁶</p> <p><i>Post COVID-19 Green Recovery for Food, Health, and Water Security strengthened by financial and technological innovations in Latin-American countries</i></p>	<p>Implementing Institution: Inter-American Institute for Cooperation on Agriculture (IICA) NDA: Ecuador, leading country Approval: 03 December 2020 Period of implementation: 18 months</p> <p>Value: USD 2,037,047</p>	<p>Outline pathways for post COVID-19 Green Recovery strategies in the Food, Health and Water sectors by supporting national and regional efforts of the targeted countries to strengthen financial and technological innovations. Hence, this Readiness Proposal will contribute to overcoming institutional, technical, and financial barriers in the agricultural sector, specifically to medium and smallholder farmers, through public institutions in environmental, agriculture, and national finances and economics sector, to encourage the adoption of advanced technologies, which accelerate economic recovery and employment creation, and improve farmers' livelihoods while reducing CO2 equivalent emissions in the face of the global pandemic.</p> <p>Some Latin American countries already have national Readiness initiatives in progress, for different climate change issues under a context prior to COVID, but such initiatives can generate synergies with this Readiness Proposal, avoiding potential duplication of efforts with ongoing projects.</p> <p>In Peru, among other things, the IICA readiness will leverage the capacities built in PROFONANPE as Peru's national DAE, in order to design a Concept Note under activity 4.1.1.1, taking into account the entity's track record and comparative advantage.</p>	<p><i>Area</i> 8 countries: Bolivia (Plurinational State of), Brazil, Colombia, Ecuador, Guatemala, Mexico, Peru, Uruguay</p> <p><i>Beneficiaries</i> Directly: national public institutions for policymaking in targeted countries including Ministries/ Secretaries of Environment and Natural Resources (8), Agriculture (8), and Finance/ Planning (5), some of which are National Designated Authorities.</p> <p><i>In Peru:</i> International Potato Center (CIP), National Institute of Agrarian Innovation (INIA), Peruvian Association of Software Producers (APESOFT)</p>
<p>Apoyo a la entidad para Perú a través de PROFONANPE (Fase 3)⁴⁷</p> <p><i>Entity support for Peru through PROFONANPE (Phase 3)</i></p>	<p>Implementing Institution: PROFONANPE NDA: Ministry of Economy and Finance, Peru Approval: 17 February 2020 Period of implementation: 12 months</p> <p>Value: USD 832,058 (Total)</p> <ul style="list-style-type: none"> • USD 766,874 (Outcome budget + contingency + Project management costs-PMC) • USD 65,1841 (Delivery Partner Fee-DP) 	<p>Title: Actions towards accessing different GCF funding modalities in Peru</p> <p>Peru is working to access the different financing modalities available by GCF. In this sense, the NDA (i) has identified a potential Direct Access Entity (DAE) within the country that will be complementary to Profonanpe; and (ii) wishes to boost Profonanpe's capacity for funds management, given the new strategies that the institution is envisioning. This includes, among other, new fiduciary functions to be explored. The NDA supports this initiative that could lead to an additional upgrade for Profonanpe, allowing the country to access additional GCF funding resources.</p>	<p><i>Area</i> Peru</p> <p><i>Beneficiaries</i> NDA and Peru as a whole</p>

46 Link to proposal: <https://www.greenclimate.fund/document/post-covid-19-green-recovery-food-health-and-water-security-strengthened-financial-and>

47 Link to proposal: <https://www.greenclimate.fund/document/entity-support-peru-through-profonanpe-phase-3>

READINESS PROPOSALS APPROVED	IMPLEMENTING INSTITUTION DURATION Date of approval/ Estimate period of implementation VALUE (EUR or USD)	CONTENT	AREA / BENEFICIARIES
<p>Apoyo a la planificación de la adaptación para Perú a través de Fundación Avina⁴⁸</p> <p><i>Adaptation planning support for Peru through Fundación Avina</i></p>	<p>Implementing Institution: Avina Foundation NDA: Ministry of Economy and Finance, Peru Approval: 26 October 2019 Period of implementation: 24 months</p> <p>Value: USD 1,445,082.00</p>	<p>Programme title: National Adaptation Planning in Peru Aims to advance the following:</p> <ol style="list-style-type: none"> 1. Diagnose the five adaptation thematic areas prioritized in the NDC and identify capacities and resources needed at the regional level as well as gaps to implement actions in those areas. 2. Support enabling conditions needed in regional governments to develop strategies, strengthen capacities and engagement with key stakeholders to implement adaptation actions, including crosscutting considerations. 3. Create project/ program pipelines and structures for adaptation measures in the five prioritized thematic areas and identify subsequent concept notes for project proposals. 4. Design and develop a system for monitoring and evaluating adaptation outcomes set in the NDC, as well as financial resources used for adaptation measures. 	<p><i>Area</i> Peru</p> <p><i>Beneficiaries</i> n/a</p>
<p>Apoyo a la entidad (2da fase) para Perú a través de PROFONANPE⁴⁹</p> <p><i>Entity support (2nd phase) for Peru through PROFONANPE</i></p>	<p>Implementing Institution: PROFONANPE NDA: Ministry of Economy and Finance, Peru Approval: 10 January 2019 Period of implementation: 12 months</p> <p>Value: USD 301,165.00 (Total)</p> <ul style="list-style-type: none"> • USD 277,571.00 (Outcome budget + contingency + Project Management Cost-PMC) • USD 23,5934.001 (Delivery Partner Fee-DP) 	<p>Programme title: Increasing Profonanpe's capacities as Direct Access Entity of Peru – Stage II Profonanpe has identified that in the framework of its new role, it requires for example, to work with the GCF to meet their expectations regarding (i) ESMS auditing on institutional management effectiveness; and (ii) impact evaluation monitoring.</p> <p>Moreover, the institution requires to keep increasing specific capacities that will be reflected in a better-quality project design and management, and in a more efficient achievement of their goals.</p>	<p><i>Area</i> Peru</p> <p><i>Beneficiaries</i> n/a</p>
<p>Apoyo a la entidad para Perú a través de PwC⁵⁰</p> <p><i>Entity Support for Peru through PwC</i></p>	<p>Implementing Institution: Price Waterhouse and Cooper (PwC) NDA: Ministry of Economy and Finance, Peru Approval: 02 July 2018 Period of implementation: 6 months</p> <p>Value: USD 33,415</p>	<p>Funding to prepare COFIDE to apply for accreditation to the GCF. PwC as the delivery partner would analyse the gaps and the action plan that COFIDE would need to follow in order to apply for accreditation to the GCF.⁵¹</p>	<p><i>Area</i> Peru</p> <p><i>Beneficiaries</i> n/a</p>

48 Link to proposal: <https://www.greenclimate.fund/document/adaptation-planning-support-peru-through-fundacion-avina>

49 Link to proposal: <https://www.greenclimate.fund/document/entity-support-2nd-phase-peru-through-profonanpe>

50 Link to proposal: <https://www.greenclimate.fund/document/entity-support-peru-through-pwc>

51 Regarding this project, the Readiness proposal approved on 17 February 2020 notes “A first Readiness support provided by the GCF through Price Waterhouse and Cooper (PwC), assessed the capacity of COFIDE to become a GCF’s accredited entity. The result of this assessment was promising, but a series of recommendations were given from which COFIDE has started to address. In order to expedite this process, the NDA considers that PROFONANPE could support COFIDE to address some gaps that are still to be covered, given the experience it has already gained with the GCF.”

READINESS PROPOSALS APPROVED	IMPLEMENTING INSTITUTION DURATION Date of approval/ Estimate period of implementation VALUE (EUR or USD)	CONTENT	AREA / BENEFICIARIES
<p>Fortalecimiento de la NDA y apoyo al Programa País para Perú a través de GIZ⁵²</p> <p><i>NDA Strengthening and Country Programming support for Peru through GIZ</i></p>	<p>Implementing Institution: GIZ (Delivery partner) NDA: Ministry of Economy and Finance, Peru Approval: 29 January 2018 Period of implementation: 18 months</p> <p>Value: EUR 377.850</p>	<p>Title: GCF Readiness and Preparatory Support for Peru To adequately fulfil the Ministry of Economy and Finance's role and responsibilities in the relation to the GCF, the NDA requests support on the following key areas: Area 1: Strengthening the NDA. The Ministry of Economy and Finance will work with GIZ to engage consultant support to build the capacity of the NDA to fulfil its roles and responsibilities in relation to the Fund according to best-practice guidelines. Area 2: Strategic Engagement Framework with the Fund / Country programme. GIZ will support Peru's strengthened NDA in preparing a country programme and in developing strategic frameworks according to the Fund's decisions and guidelines.</p>	<p>Area Peru</p> <p>Beneficiaries n/a</p>
<p>Apoyo a la entidad para Perú a través de PROFONANPE⁵³</p> <p><i>Entity Support for Peru through PROFONANPE</i></p>	<p>Implementing Institution: PROFONANPE (AE) NDA: Ministry of Economy and Finance, Peru Approval: 18 December 2017 Period of implementation: 12 months</p> <p>Value: USD 330,625 (total) Activities: USD287,500.00 Contingency: USD14,375 Delivery partner fee: USD28,750</p>	<p>Title: Strengthening institutional capacities of PROFONANPE as GCF's National Implementing Entity in Peru PROFONANPE is currently the only Peruvian entity accredited by the GCF and is in the process of upgrading its accreditation category from "project management" to "grant award" and the environmental and social risk category from "C" to "B". Since its accreditation, PROFONANPE has supported through South-South cooperation, other institutions in Latin America and Africa to seek their own accreditation. With one project already approved by the GCF and under implementation, PROFONANPE seeks to strengthen its capacities to better manage future projects during all project stages, either as an implementing or executing entity. For example, PROFONANPE requires improving the capacity of its staff in areas such as environmental and social safeguards (ESS), climate change, and project management (for further details refer to the following sections). PROFONANPE's manual of operations and procedures needs to be updated, improved and available to its users. Technical tools like an online system and intranet will be required, as well as technical support for the development and revision of Concept Notes of projects under its management. In addition, the dialogue between MEF, the Ministry of Environment (MINAM), PROFONANPE, and GCF, could be further improved through regular planning meetings that allow the institutions to align goals and activities.</p>	<p>Area Peru</p> <p>Beneficiaries n/a</p>
<p>ESTIMATED TOTAL⁵⁴</p>		<p>USD\$5.510.700</p>	

Having summarised the GCF situation in Peru, Part 2 below analyses some of the concept notes and the structure underpinning the presentation of concept notes and the approval of proposals. This analysis is conducted from the lens of Indigenous Peoples' rights and offers an insight into some of the limitations that give rise to our recommendations to the GCF, the Peruvian State and the Accredited Entities in the final section of the report.

52 Link to proposal: <https://www.greenclimate.fund/document/nda-strengthening-and-country-programming-support-peru-through-giz>

53 Link to proposal: <https://www.greenclimate.fund/document/entity-support-peru-through-profonanpe>

54 It is an estimate as variations in the Exchange rate between USD and Euros are possible.





PART 2.

Scope and limitations of the GCF with regard to indigenous peoples' rights in Peru

The analysis in Part 2 provides evidence of shortcomings in the implementation of Indigenous Peoples safeguards within the GCF's current operations in Peru. It briefly reviews these shortcomings in terms of their compliance with safeguards in two concept notes submitted, and two projects approved (FP001 and FP173). It also sets out the limitations of the NDA procedures when accessing climate finance from the GCF from an Indigenous Peoples' rights perspective. A brief analysis of the national legal framework, which bears witness to the State's obligation to create mechanisms for Indigenous participation in climate actions, demonstrates that there is an opportunity to implement the recommendations targeting the national scale in Part 3.

2.1. Comments on concept notes submitted

In the concept notes submitted to date (and accessible on the GCF website), a number of limitations can be seen from an Indigenous Peoples' rights perspective. In this section, we focus on two, both of which relate solely to Peru and the Amazon.

The concept note submitted by PROFONANPE in April 2020 "Strengthening the prevention and attention to forest fires intensified by climate change in Peru" (Concept Note FF, 2020) aims to improve coordination between the Peruvian State and different relevant sectors and thus address the limited technical and territorial coordination in the prevention of and response to forest fires. It includes components of training, improved policy implementation and government institution planning. As an Accredited Entity, PROFONANPE would carry exclusively mitigation actions, in conjunction with the National Service for

State Natural Protected Areas (SERNANP). The proposal, estimated over seven years of implementation, would focus 100 percent on ecosystem-level results and ecosystem services. The total estimated amount for its execution is USD 11 million, for which a USD 10 million grant would be requested from the GCF plus USD 1 million in co-financing from SERNANP (State funds).

As the project focuses mainly on strengthening the government's capacity to prevent, anticipate and manage climate disasters, it could be argued that the project will not negatively impact any vulnerable population. Indeed, the concept note is emphatic in stating that it will not affect vulnerable groups such as Indigenous communities or children. In recent decades, however, it has been widely recognised that Indigenous Peoples have a right to participate and that they can offer an important perspective to the development and implementation of plans and mechanisms for disaster risk reduction (World Bank, 2015; UNISDR, 2015 in PAHO 2019)⁵⁵. In addition, a large body of recent research reveals how much can be learned from Indigenous Peoples' knowledge and practices, proven over time with respect to disaster risk reduction. This knowledge is evidenced in the close relationship communities have with the environment, coupled with their cultural systems and community ties (Scott, et al., 2013). Governments, organisations and experts are beginning to identify the increased risk faced by Indigenous Peoples and the importance of their knowledge systems in reducing the impact and risk of disasters on Indigenous Peoples around the world (PAHO, 2014).

Preventing and dealing with forest fires in the Amazon, and particularly Indigenous territories, clearly requires the involvement of civil society and Indigenous Peoples. This issue has been ignored in the concept note's objectives, baseline, and descriptions. The proposal further lacks specifications regarding intercultural approaches and consultation processes and mechanisms for accountability specific to the populations involved, which includes communities –many of them Indigenous– living adjacent to the Natural Protected Areas. There is no clarity regarding information management (not even valuable feedback) between the implementing entities and the Amazonian inhabitants who are stated as the project beneficiaries.

55 Some of the milestones highlighted in advancing this framework include the Hemispheric Consultation on Indigenous Peoples and Disaster Risk Reduction (PAHO, 2014) in 2014; the Sendai Framework for Disaster Risk Reduction 2015-2030 developed at the Third UN World Conference on Disaster Risk Reduction in 2015 (UNISDR, 2015); the Pan-American Health Organisation's Plan of Action for Disaster Risk Reduction 2016-2021 (PAHO, 2016); and the ISDR's Sixth Regional Platform for Disaster Risk Reduction in the Americas in Cartagena, Colombia in 2018. The Cartagena Declaration, for example, recognises the disproportionate impact of disasters on vulnerable groups and the need to apply an equitable, participatory, and inclusive approach to disaster risk reduction (UNISDR, 2018). This includes incorporating Indigenous knowledge into disaster risk management programmes and policies. In 2018, PAHO sponsored an Indigenous consultation (held in Mexico) that provided an opportunity for Indigenous leaders and health officials to study the development of tools aimed at better integrating Indigenous traditional knowledge into disaster risk management in the region (PAHO, 2018).

It is also worth noting that some of the Accredited Entities mention specific aspects; for example, in its Voluntary Guidelines for Fire Management, the FAO mentions aspects related to local population participation and necessarily anticipates that areas adjacent to risk zones will be affected and connected. In section D.2.2, it notes that in areas that require periodic fires to restore or maintain their special characteristics, the probability that fire will have effects on other resources, communities and populations outside the area must be taken into account. D.2.7 states that when natural areas or fire-dependent reserves are located adjacent to valuable commercial or agricultural areas, detailed plans should be developed to ensure that the unique character and value of the areas can be maintained, while limiting the impact on adjacent zones. These kinds of guidelines highlight the valuable contribution that the local population can make to disaster management, in this case fire management.

In addition to the right to and value of equitably incorporating Indigenous Peoples' knowledge into the disaster management strategies promoted by the project, Indigenous Peoples' participation has to be considered crucial in the face of the potential conflicts that project implementation could trigger. There is a range of different positions and relationships between communities, organisations, Indigenous governments, SERNANP and the current Natural Protected Areas scheme. One example is the statements and novel forms of agreements between the Kukama Kukamiria of the Marañón, represented by ACODECOSPAT, and the Pacaya Samiria National Reserve in Loreto. There is also a clear and publicly stated position of the Autonomous Territorial Government of the Wampis Nation regarding the Natural Protected Areas superimposed on their Integral Territory.⁵⁶ Indigenous organisations and governments play a crucial role in coordinating, respecting and adequately and effectively incorporating the positions, directions and agreements reached with SERNANP and the Natural Protected Areas in their territories.

This value in ensuring Indigenous Peoples participation is in addition to the need to consider the autonomous proposals and policies that the peoples themselves are suggesting or have implemented with regard to territorial disaster and emergency-related management on their territories in recent years. The Autonomous Territorial Government of the Wampis Nation, for example, has undertaken a comprehensive Autonomous Zoning of its territory to include areas of refuge and emergency prevention.⁵⁷ Forest fire management is closely related to the tools Indigenous Peoples develop for territorial governance and, in this sense, Indigenous Peoples should play a key role in managing such projects out of respect for their rights and to ensure benefits and the sustainability of overall results.

Second, there is the concept note submitted by Conservation International in October 2019 entitled "Scaling the Communal Reserve Co-management Model to Reduce Emissions and Build Resilience of Indigenous People in the Peruvian Amazon" (Concept Note CR, 2019). The goal is to empower Indigenous Peoples in Peru so that they are able to adapt to the negative impacts of climate change while protecting, restoring and sustainably managing five million hectares of forest (to reduce 4.8 MtCo2eq) in the Peruvian Amazon by 2030. The Accredited Entity, Conservation International Foundation (CI-GCF), and the Implementing Entity, Conservation International Peru, intend to focus the mitigation project on directly benefiting an estimated 42,000 people from 19 Amazonian Indigenous Peoples. The estimated duration of the project is six years with an estimated total funding of USD 50 million, of which USD 35 million would be requested from the GCF together with USD 15 million in co-financing (entity not specified).

The project's objectives are intended to be achieved and sustained by establishing a green business mechanism with the participation of public and private actors who would provide the financial and technical means necessary to effectively implement the Communal Reserve management model and the sustainable management of the surrounding areas. Both background and baseline indicate that the project would focus on promoting Indigenous

56 These include the Tuntanain Communal Reserve, Ichigat Muja - Condor Cordillera National Park and the Santiago - Comaina Reserved Zone. See, for example, "*La Nación Wampis rechaza la pretensión del SERNANP de expropiarle Kampankias*" [Wampis Nation rejects SERNANP's attempts to expropriate Kampankias] (24 February 2021). URL: www.nacionwampis.com/la-nacion-wampis-rechaza-la-pretension-de-sernanp-de-expropiarle-kampankias/

57 This relates to the *Zona de Aprovechamiento Múltiple y para la Transmisión de Conocimientos. Consultoría sobre Zonificación Autónoma desde la Visión Indígena* [Multiple Use Transmission of Knowledge Zone. Consultancy on Autonomous Zoning from an Indigenous Vision] - GTANW (2018). Internal document.

leadership for climate change adaptation and mitigation in 10 Communal Reserves (194 Indigenous communities).

The target area of the project would be the “Communal Reserve Landscapes”, which would include both the Communal Reserves *per se* and the adjacent areas (i.e., Indigenous communities and local population). To date, 10 Communal Reserves have been created in Peru which, according to the information given in the concept note, are home to 19 of the 51 Indigenous groups that inhabit the Peruvian Amazon, representing a population of 42,000 people or the equivalent of approximately 10% of the Amazonian Indigenous population of Peru. It highlights how the Communal Reserves have, for more than 10 years, offered an “innovative co-management mechanism [that] has generated positive outcomes in terms of indigenous people’s engagement and partnership with the Peruvian government”. It gives some successful examples of Communal Reserves: Amaraeri, Yanasha, Tuntanain and ANECAP-Programa Bosques (National Association of Communal Reserve Administrators of Peru and the National Forest Conservation Programme). It notes that “these CRs [Communal Reserves] will serve as models that will be used in other CRs to replicate and scale up their successes” (Concept Note CR, 2019: 4). In this sense, the green business mechanism would help these Communal Reserves access financial and technical resources to consolidate and expand their success.

Communal Reserves are a category of Natural Protected Area in which both the Peruvian government and the Indigenous communities are responsible for managing the territory through a management contract between SERNANP, as the State entity, and the Contract Executor (ECA), comprising members of the Indigenous Peoples (albeit not exclusively in practice). Although there are ECAs in the country that have demonstrated their capacity to develop co-management systems that could be considered efficient, the project does not take into account the diverse positions of the different Indigenous Peoples, either with regard to this territorial co-management scheme or to Natural Protected Areas such as Communal Reserves more generally. One example of this is the Wampis Nation’s rejection of the three Natural Protected Areas on their territory and the observations they have made regarding the Tuntanain Communal Reserve. This is a reserve which the concept note cites as a successful case to be replicated and which, if this project is consolidated, would be enhanced with the risk of triggering conflict.

Although the concept note states that the framework provided is only indicative, that the “final design will be created together with the indigenous communities” (Concept Note CR, 2019: 6, footnote 30) and that “the project will be developed by indigenous peoples that share their territories with other social groups, such as migrant farmers” (Concept Note CR, 2019: 7), the design already concretely sets out certain approaches to aspects that will be decisive in relation to the development vision of Indigenous Peoples and the integral nature of their territories. One example of this is the type of productive-economic approach that would be promoted. Section C2.1 indicates support for agricultural production systems and the “evolution from subsistence crops to more advanced agricultural production systems”, without specifying the types of “advanced systems”, something that could lead to contradictions with the Indigenous Peoples’ stated visions of food security and sovereignty. This is particularly the case given that the Indigenous organisations’ and governments’ positions with regard to settlement and expansion of the agricultural frontier are well-known. Historically, Indigenous Peoples have experienced pressure on and violent dispossession from their traditional and ancestral territories. Extensive cattle ranching, land grabbing

through land clearing and conversion of forest to pastureland (*praderización*), and the unlawful and illegitimate establishment of plantation and monoculture agribusiness are all concrete ways in which the agricultural frontier has expanded at the expense of Indigenous territorial integrity and protection of their forests. To promote such productive systems is even more questionable given the current context of legal insecurity of the Indigenous territories.

The fact that the concept note states food security as a result area without clarifying the implications of agribusiness (and similar initiatives) on the territories only exacerbates these inconsistencies. Nor does it address how the drivers of deforestation, which results in a loss of ancestral knowledge and its uses, are linked to the agribusiness being promoted. The integration of traditional knowledge into forest conservation and management programmes is mentioned (C2.2) but, without adequate protocols and agreements with Indigenous Peoples. This will only lead to disputes over intellectual property (addressed in international frameworks).

The project could more generally promote a decision-making scheme for project management that is questionable in terms of its representativeness and which is in violation of Indigenous institutions' rights. It specifies that the Executive Committee for the Green Business Mechanism will comprise three State entities (MINAM, SERNANP and PROFONANPE), one NGO (Conservation International Peru) and the National Association of ECAs- ANECAP (as the only Indigenous representation). No design, coordination, implementation, or accountability (evaluation) mechanisms are specified with the beneficiary communities, nor with Indigenous organisations or governments. ANECAP and the ECAs are given sole representation of the Indigenous population, something that would likely cause controversy among the government systems in place in Amazonian Indigenous territories. The lack of spaces for decision-making and for communities and representative territorial organisations or governments to give their consent is likely to lead to conflicts and violations of collective rights.

Finally, and given that the idea is to provide “the ECA and surrounding communities with the financial and technical means to make sustainable use of natural ecosystems, limit deforestation and forest degradation, restore degraded ecosystems, improve their livelihoods through the development of green businesses in partnership with private sector [that] will allow them to adapt and become more resilient to climate change” (Concept Note CR, 2019: 4), the right to consultation and consent is central, beyond considering these objectives as “positive” outcomes. The concept note indicates that the stakeholders have been extensively consulted. It does not, however, refer to Indigenous Peoples' right to consultation and to Free, Prior and Informed Consent despite noting that it is aligned with the GCF's safeguards for Indigenous Peoples.

Indigenous participation is precarious in both of these concept notes and could be infringed if the project were to move forward. Identifying these gaps in Indigenous Peoples participation in the concept notes highlights not only the need to comply with international frameworks and recommendations on Indigenous Peoples' rights but also the potential contribution Indigenous Peoples can make to a more effective and sustainable design, implementation, and evaluation of projects when they are involved (if desired).

2.2. Observations on projects approved

A GCF-funded project is being implemented in Peru in one of the most important wetlands of the Amazon basin, FP001 (2015) “Strengthening the resilience of wetlands in the Province of Datem del Marañón, Peru”. Project FP001, approved in 2015, was the first project to be approved internationally by the GCF. It aims to reduce deforestation and carbon emissions in the Datem del Marañón region (Loreto) by working with local governments and 120 communities, involving members of the Achuar, Awajún, Chapra, Kandozi, Quechua/Inga, Wampis and Shawi Indigenous Peoples. It also aims to strengthen existing protected areas while creating new ones, along with implementing support strategies for the development of land-use plans and ecological zoning.

Following its approval, FP001 was the second case to be considered by the GCF’s Independent Redress Mechanism. The investigation began in 2019. The IRM, created in case individuals, groups or communities should be negatively affected by projects and programmes financed by the GCF,⁵⁸ reviewed two briefing papers in 2018, published by the civil society organisations Tebtebba and Forest Peoples Programme (FPP) denouncing the project’s failure to comply with the principle of Free Prior and Informed Consent, among other issues.⁵⁹ Added to this information was a report produced by the Rights and Resources Initiative in October 2017 (see Perrault y Leonard, 2017).

Following this, the GCF held meetings with PROFONANPE (the Accredited Entity) and external stakeholders but failed to meet with any Indigenous stakeholders. Even so, it was established that there were sufficient reasons to initiate a formal investigation: credible information, the impact of the conflict, the threats to the reputation of the GCF and, finally, the people affected.⁶⁰ Two aspects are key to the investigation: on the one hand, the lack of Free, Prior and Informed Consent (FPIC) and, on the other, the possible threat that municipal Environmental Conservation Areas represent to the property rights of Indigenous Peoples in the intervention area.

After its investigations and meetings with PROFONANPE, the IRM made the following recommendations:

- The GCF should produce FPIC guidance notes that improve the implementation guidelines in the Indigenous Peoples Policy. The notes should include a section addressing how projects involving Indigenous Peoples are classified in the guidance note on environmental and social review.⁶¹
- Obtain an assessment/opinion from a suitably qualified expert with in situ experience and qualified in the context of Indigenous communities in Peru to investigate the potential impacts of the creation of Environmental Conservation Areas.

58 This mechanism also accepts requests for reconsideration of funding proposals rejected by the GCF Board.

59 The briefing papers were published in English and Spanish in December 2015: “The Green Climate Fund and Free, Prior and Informed Consent and a Call for the Adoption of an Indigenous Peoples Policy: The Lessons from a Wetland Project in Peru” and “El Fondo Verde para el Clima y el Consentimiento libre, Previo e Informado y un llamado para la Adopción de una Política sobre Pueblos Indígenas: Las Lecciones de un Proyecto de Humedales en el Perú”. English version accessible at: http://www.forestpeoples.org/sites/fpp/files/publication/2015/12/briefingpaper-fpic-ippolicy_0.pdf; Spanish version accesible at: <https://www.forestpeoples.org/sites/fpp/files/publication/2015/12/nota-informativa-fpp-tetebba-gcf-profananpe-spanish-2016.pdf>

60 IRM-initiated procedures: C-0002-Peru. Page 3

61 IRM-initiated procedures: C-0002-Peru. Page 17

- Based on the guidance note on FPIC requirements (in accordance with point 1 above), ensure that the consent documentation provided by PROFONANPE when establishing the Environmental Conservation Area is complete and in compliance with the guidance.

Although this resilience project in Datem del Marañón was approved prior to the adoption of the GCF's Indigenous Peoples Policy (and, in fact, the limitations in this project do trigger this commitment), the IRM also demonstrated its limitations by ignoring the Indigenous Peoples' capacity for agency as a reliable source of testimony and as creators of proposals with which to resolve and redress the problems. In fact, in the case of FP001, the Indigenous Peoples have a different perspective from that of the official report submitted to the GCF Board. They point out that, from the very start, the Indigenous organisations raised concerns about the project. These organisations further stated that their communities had not been adequately consulted prior to disbursement of the funds (specifically, the national Indigenous organisation, AIDSEP, and the Council of the Federation of Achuar Nationality in Peru, FENAP).

FP001 thus gives evidence of a disposition to focus on the State and the Accredited Entities rather than on those actually affected. Furthermore, since the Indigenous organisations' proposals for improvement have not been taken into account, any changes made since the complaint could be largely considered cosmetic adjustments to the project given that the participating Indigenous organisations and those in the intervention area do not necessarily play a clear role in the monitoring and evaluation mechanisms, as should be their right.

In addition to the wetlands project in the Marañón, other observations made by civil society are considered relevant in relation to the most recently approved project involving Peru, FP173 (2021) "The Amazon Bioeconomy Fund", submitted by the Inter-American Development Bank (IDB) as Accredited Entity and approved by the GCF Board in October 2021. The project involves six countries in South America: Peru, Brazil, Ecuador, Colombia, Guyana and Suriname. Indigenous Peoples and civil society have been warning of its shortcomings with regard to Indigenous Peoples' rights.

In their comments and recommendations on funding proposals submitted to Board meeting B.30, the GCF Observer Network of Civil Society, Indigenous Peoples and Local Communities raised concerns over the proposed bioeconomy activities, which might affect biodiversity and environmental sustainability in the Amazon basin.⁶² They noted that, as it stands, "the project includes no Indigenous vision of what the bioeconomy encompasses. This would involve a holistic vision that reproduces the heterogeneity of the forest, very different from the corporate vision of the bioeconomy, which can easily lead to practices of homogenisation and monoculture, promoting compensation rather than conservation and a commodification of nature" (GCF Observer Network, 2021).⁶³ They added that there had been no adequate consultation nor processes to obtain the consent of Indigenous and Afro-descendant peoples and traditional communities. So far, the IDB has reportedly held only superficial meetings with the local population, leaving attendees with unresolved questions and doubts. No

62 The document states that they did their best to take into consideration the responses of the Accredited Entities and the Secretariat during the technical session and through the available documentation, as well as through discussions with the selected Accredited Entities.

63 GCF Observer Network (2021). Comments and Recommendations on Funding Proposals, GCF Observer Network of Civil Society, Indigenous Peoples, and Local Communities. Internal document.

spaces have been provided in which to incorporate Indigenous visions and there have been only delayed and improvised meetings that do not comply with the GCF Indigenous Peoples Policy.

The GCF Observer Network further supported the position of Indigenous organisations regarding the need for: (1) inclusive and culturally appropriate consultation processes to obtain Free, Prior and Informed Consent (FPIC) throughout the project cycle and (2) the inclusion of Indigenous Peoples in the project's governance structure, as well as in designing and implementing the activities to be developed by the project. The Network also urged the IDB to comply with GCF standards, such as the Indigenous Peoples Policy, in addition to referring to the institution's internal policies, which are not in compliance with Indigenous Peoples' rights standards. It urged the IDB to inform the Secretariat as to how it would robustly comply with the inclusion and FPIC processes as per the GCF Indigenous Peoples Policy. Finally, it warned of the need to include adequate supervision on the part of independent third parties.

In the specific case of Peru, an analysis by Carolina Juaneda and Roberto Espinosa pointed out that there had been insufficient consultation on the project, and it did not have the consent of the Indigenous Peoples. It also fails to incorporate components related to land regularisation and land tenure security, gives unequal access to and distribution of project benefits, and does not prioritise Indigenous bioeconomy initiatives based on Indigenous Life Plans (Juaneda and Espinosa, 2021). Indigenous organisations and governments in Peru have been discussing a broad spectrum of strategies in this regard, including complete rejection of the project as well as attempting to incorporate Indigenous Peoples into forest diversity-based actions, which would prevent any bias towards exclusively private sector interests and the homogenisation of the forest. In this sense, although approved by the GCF Board, FP173 is today in limbo amid questioning from Indigenous organisations and governments due to potential violations of collective rights in the Amazon basin.

In both approved projects, there is evidence of potential violations of collective rights, even with the existence of GCF mechanisms such as the Indigenous Peoples Policy, the Independent Redress Mechanism, a Panel of Independent Experts in the approval processes, active observers voicing their concerns in Board meetings, among others. Before being approved by the GCF Board, however, the project proposals were given their no objection at the national level (by the MEF as NDA). The following two sections identify the limitations to Indigenous participation at the national level. Apart from criticising the scope and progress of these legal frameworks and national procedures, it is useful to analyse them in order to consider how they could be improved and reformulated into more participatory forms that would allow for the operationalisation of respect for the right to participate, as well as ensure the prevention of potential conflicts (aspects which, in both cases, are promoted by the GCF's own Indigenous Peoples Policy).

2.3. Limitations of the internal procedures of the GCF's National Designated Authority: the Ministry of Economy and Finance

In the context of the Peruvian government's relationship with the GCF, the MEF, in coordination with MINAM, drafted two internal regulations governing its role as NDA. One of these was the procedure for accessing GCF resources, an update to which was approved by Supreme





Decree No. 219-2020-EF on 8 August 2020. The regulations set out how the MEF coordinates with Green Climate Fund procedures:

- Procedure for nominating an entity to be accredited to the GCF
- Procedure for issuing no-objection letters for projects or programmes submitted to the GCF
- Procedure for issuing the no-objection letter for Project Preparation Facility (PPF) proposals submitted to the GCF
- Evaluation of projects or programmes and obligations under the no-objection letter

Within this framework, MEF drafted the **GCF Operations Manual - Peru**, approved by Ministerial Resolution No. 330-2020-EF/15 on 25 November 2020, which sets out the institutional framework and procedures for requesting GCF financial resources in Peru. This document sets out the criteria for accessing funds, explains the actors involved, describes how Accredited Entities are established and accredited with the National Designated Authority, describes the Country Programme (*Programa País*) and, finally, defines the process to obtain no-objection letters both for the projects/programmes and the Project Preparation Facility (PPF).⁶⁴ This includes methodologies for evaluating projects and programmes submitted to the GCF.

Ministry of Economy and Finance definitions

Operations Manual

Management document containing detailed information on the GCF, the Accredited Entities, the evaluation criteria and the no-objection procedures aimed at achieving due implementation of [this] Supreme Decree (SD. 219-2020-EF)

No-objection letter

Letter issued by the MEF in its capacity as NDA, recognising that (i) the Government of Peru has no objection to the project or programme submitted to the GCF or to the request for resources with which to prepare the project and (ii) that the funding proposal is aligned with national policies, plans and strategies, as well as with the country's international commitments with regard to climate change.

Supreme Decree No. 219-2020-EF, Art. IV of General Provisions

In the following, we point out two major limitations of this Manual with respect to Indigenous Peoples' rights.⁶⁵

⁶⁴ The Operations Manual consists of seven sections in total.

⁶⁵ We will focus on two criticisms of the Operations Manual. However, it would also be possible, for example, to improve the procedures proposed for the accreditation of entities (Sections 2.2; 3.1, 3.2). We note that these have not been adapted interculturally so that Indigenous organisations can be considered legal subjects able to access this category. We also recognise that the difficulties in accrediting local entities (direct access Accredited Entity) form part of a wider discussion at GCF level that will have repercussions on the national procedures provided by the NDAs.

Lack of Indigenous recognition: Although the Operations Manual clearly refers to the use of environmental, social and gender safeguards in relation to GCF policies, the document's internal procedures do not explicitly state how these safeguards would be operationalised. Section 2 of the Operations Manual on actors involved in implementing the GCF states that those involved in the process of preparing, submitting, evaluating and approving project/programme proposals are: (a) public and private sector actors, (b) the Accredited Entities, (c) the National Designated Authority, (d) the Ministry of Environment - MINAM and other sectors, as appropriate. Indigenous Peoples are not explicitly considered actors able to access funds or participate in the aforementioned processes.

Lack of intercultural participation in the design and evaluation of proposals: Among the most significant processes set out in the Operations Manual are those relating to obtaining no-objection letters for both projects/programmes and the Project Preparation Facility. The procedures set out do not specify Indigenous participation in any of the key stages prior to issuing the no-objection letter.

On the basis of these limitations, we set out the main recommendations in Part 3 of this report. These are aimed at reformulating the procedures to include clear spaces for Indigenous participation. These recommendations are not only backed up by an international legal framework on Indigenous Peoples' rights that is currently widely known in Peru but are also explicitly stated in the national legal framework on climate change, which indicates that it is mandatory for the State to develop participation mechanisms.

2.4. Indigenous participation in the Framework Law on Climate Change and its Regulations

The Framework Law on Climate Change in Peru emphasises the importance of Indigenous participation in the project cycle and establishes a standard consistent with the State's obligation to ensure Indigenous participation. Despite this, the most important space for decision-making created by the Framework Law is the High-Level Commission,⁶⁶ which *de facto* excludes Indigenous Peoples.

Nevertheless, there are explicit obligations in the implementing regulations governing the Framework Law that are aimed at activating participation mechanisms at all levels and across all sectors, with the participation of Indigenous Peoples and in compliance with ILO Convention 169.⁶⁷ In this regard, the implementing regulations create opportunities at the national regulatory level for Indigenous Peoples to improve their participation in the different mechanisms related to climate change policies, including access to climate finance.

⁶⁶ Law No. 30754, Article 10. High Level Commission on Climate Change. The High-Level Commission on Climate Change shall propose climate change adaptation and mitigation measures and the Nationally Determined Contributions and publish the technical report that will be presented to the focal point for the United Nations Framework Convention on Climate Change, in accordance with international commitments ratified by Peru. The High-Level Commission on Climate Change shall be created by Supreme Decree and shall be permanent, chaired by the President of the Council of Ministers with its Technical Secretariat under the Ministry of Environment.

⁶⁷ See Articles 6.6; 7.4 and 5; 8.5, 6 and 7; 10.10, 11 and 12; 11.4 of SD No. 013-2019-MINAM, approving the implementing regulations for the Framework Law on Climate Change (Law No. 30754).

References to Indigenous Peoples in the Framework Law on Climate Change in Peru (Law No. 30754)

Article 2. Principios

2.2. Cross-cutting principle. State intervention in climate change is cross-cutting and takes place on multiple levels. It shall be planned with the intervention of different sectors and actors, incorporating an integrated vision and promoting the involvement of the private sector, civil society and Indigenous Peoples, in order to offer multidimensional and coordinated responses.

Article 3. Approaches to integrated climate change management

3.1. Mitigation and adaptation based on traditional knowledge. Recovers, values and uses the traditional knowledge of Indigenous or native peoples and their vision of harmonious development with nature in the design of climate change mitigation and adaptation measures, guaranteeing the fair and equitable distribution of the benefits derived from their use.

3.4. Mitigation and adaptation based on carbon stock conservation. Promotes the participation of local communities and Indigenous Peoples in the protection, conservation and sustainable management of forests as important carbon stocks, as well as the recovery of deforested areas throughout the country in order to increase the areas set aside for such stocks.

3.7. Intercultural approach. Dialogues with, values and incorporates the different cultural visions and ancestral knowledge, conceptions of well-being and development of Indigenous and Afro-Peruvian peoples closely related to their identity.

3.8. Rights-based approach. Designs, implements, monitors and evaluates climate change mitigation and adaptation measures, considering their impact on human rights, particularly those of women, children, Indigenous Peoples and other vulnerable groups.

Article 4. Integrated climate change management

Climate change adaptation and mitigation measures shall be incorporated into the policies, strategies, plans, programmes and investment projects of the three levels of government, within the context of their responsibilities and functions, in a coherent and complementary manner, under a participatory, transparent and inclusive process involving the private sector and civil society, with special emphasis on Indigenous Peoples, in order to integrate climate change management and the country's development in harmony with nature.

Article 6. National authority

The Ministry of Environment is responsible for:

6.6. Promoting and conducting scientific research and technological development for climate change mitigation and adaptation, through its attached and specialised entities, taking into consideration the traditional knowledge of Indigenous or native peoples.

Article 7. Sectoral authorities

The ministries and their attached agencies, within the scope of their responsibilities and functions, are responsible for:

7.5. Promoting the development of integrated vulnerability and adaptation studies to identify vulnerable areas, as well as scientific research and technological development for climate change mitigation and adaptation, taking into consideration the traditional knowledge of Indigenous Peoples.

7.9. Promoting the informed participation of citizens, particularly vulnerable populations such as women and Indigenous Peoples, in the comprehensive management of climate change aimed at strengthening climate governance and sustainable development in harmony with nature.

Article 8. Regional and local authorities

Regional and local governments, within the framework of their responsibilities and functions as granted expressly by law or through the decentralisation process, are responsible for:

8.4. Promoting the development of integrated vulnerability and adaptation studies to identify vulnerable areas, as well as scientific research and technological development for climate change mitigation and adaptation, taking into consideration the traditional knowledge of Indigenous Peoples.

8.7. Promoting the informed participation of citizens, particularly vulnerable populations such as women and Indigenous Peoples, in the comprehensive management of climate change aimed at strengthening climate governance and sustainable development in harmony with nature.

Article 11. Non-state actors in integrated climate change management

Within the framework of current regulations, the private sector, civil society and Indigenous or native peoples shall recommend actions for climate change adaptation and mitigation, such as increasing and conserving carbon stocks and reducing greenhouse gas emissions, among other things, in accordance with the provisions of this law and its regulations.

Article 17. Reducing emissions from deforestation and forest degradation

17.2. Reducing emissions from deforestation and forest degradation promotes the conservation of and an increase in forest carbon stocks through conservation and sustainable forest management programmes and projects, the beneficiaries of which shall preferably be local communities and Indigenous Peoples living in and around these forests.

17.3. Forest conservation and sustainable management programmes and projects shall preferably incorporate the traditional practices and knowledge of Indigenous Peoples.

Article 22. Indigenous participation

The State shall safeguard the right of Indigenous or native peoples to participate in the formulation, implementation, monitoring and evaluation of public policies and investment projects related to climate change that affect them, respecting their social, collective and cultural identity, customs, traditions and institutions, in accordance with ILO Convention 169, the Indigenous and Tribal Peoples' Convention.

Article 23. Financing

23.4. In the procedures for managing, negotiating and obtaining financial resources, as well as public, private and international cooperation funds, priority shall be given to those destined for vulnerable populations, particularly women and Indigenous or native peoples.

2.5. General remarks on the limitations

In this second part, two concept notes and two projects approved for the Peruvian Amazon have been analysed. The analysis has shown that, despite the existence of GCF mechanisms to safeguard Indigenous Peoples' rights (the Indigenous Peoples Policy, the IRM, etc.), there are still potential violations of collective rights occurring in the approval of projects/programmes in Peru. A look at the national procedures for accessing GCF funds has revealed shortcomings in the internal mechanisms of the NDA –the Ministry of Economy and Finance (MEF)– as regards Indigenous participation. The Operations Manual for the GCF is limited to the procedures established for the NDAs under the GCF and does not make any reference to Indigenous participation nor does it refer to the implementing regulations for the Framework Law, which lay down explicit obligations to develop mechanisms for Indigenous participation. There is therefore a key opportunity to reformulate these national procedures in order to operationalise Indigenous safeguards, particularly by incorporating Indigenous participation prior to issuing no objection to proposals, which is a requirement before they can even be considered by the GCF Board.

In addition, while an analysis of the process for GCF funding submissions and approvals at international level is beyond the scope of this report, it is clear that shortcomings at that level do have an impact on NDA procedures. The GCF funding approval cycle, for example, does not specify Indigenous participation nor another body that would ensure effective Indigenous participation at the time of submitting concept notes or approving proposals. Indigenous Peoples and civil society are able to make comments at Board meetings through active observers. Yet these are actors, with a voice but no vote, who state that the potential violations of Indigenous Peoples' rights that we are observing in Peru following project approval are also happening internationally despite their warnings made at Board meetings in this regard.

In other words, the disproportionately State-centred structure relies on NDAs to ensure compliance with Indigenous Peoples' rights in the intervention areas even though the GCF Indigenous Peoples Policy recognises the lack of Indigenous access to participation mechanisms and the extensive scenarios of rights infringements in these countries (such as compliance with FPIC).⁶⁸ This situation means that the Indigenous Peoples Policy is currently left to the discretion of the NDA to operationalise. Similarly, despite the fact that the GCF has an Indigenous Peoples Policy that harmonises the requirements of international law with FPIC, there is no mechanism for monitoring compliance in the intervention areas. The NDA and the Accredited Entities act as judge and jury in the monitoring of projects and also played this role before the IRM in the case of Peru.

To access the IRM, Indigenous Peoples have resorted to efforts outside of the GCF architecture (media awareness campaigns or support from civil society organisations with resources to produce reports and with access to the GCF that they themselves do not enjoy). After years of communication through the IRM processes (while their rights continued to be affected on the ground), the emerging recommendations do not necessarily result in any changes in the project design, mainly because the decisions that are made are not binding (Prasad and Kaushik, 2020). For the recommendations generated by the IRM in the Datem del Marañón project, FP001, there is evidence of official GCF reports that ignore the Indigenous organisations' capacity for agency, taking statements from the NDA and the Accredited Entity

68 See Giacomini (2020) for a complementary analysis in this line.

for granted. It could also be argued that, in the end, the changes being made are only aesthetic (strengthening clientelist relationships) rather than substantive (changes in project management and accountability design), which could create long-term social impacts and require further evaluation together with the broad involvement of Indigenous Peoples.

At the level of the GCF, concept notes have been approved without making reference to an Indigenous Peoples Plan (IPP) which, if converted into projects/programmes and approved, would effectively make the IRM a body that simply reacts to rights violations. In other words, a body that you turn to once your rights have been affected, since these are not being prevented through exhaustive application of the policy.

These constraints to adequate Indigenous participation and to the application of Indigenous Peoples safeguards in Green Climate Fund financing in general give rise to the recommendations in Part 3 of the report which focus, for the purposes of this report, on national-level changes involving the National Designated Authority and the procedures prior to issuing the no-objection letter. These would prevent potentially violating proposals from being identified and discussed before they even reach the GCF Board.







PART 3.

Proposals for operationalising indigenous peoples safeguards in the GCF in Peru

Indigenous Peoples have been participating in different climate policy discussion spaces, but they continue to be excluded from decision-making with regard to important aspects, including the financing of GCF projects being implemented on their territories. This is despite the existence of international safeguards including the GCF's own interim safeguards that regard Indigenous Peoples' full involvement in decision-making as crucial given that they are one of the groups most vulnerable to climate change. In Peru, ONAMIAP and other Indigenous organisations have warned that this situation is undermining the dialogue with the State on climate change (ONAMIAP, 2020).

To address the shortcomings of how Indigenous Peoples safeguards are applied in climate finance (and specifically the GCF), some of which were analysed in Part 2 of this document, there follows a series of recommendations for operationalising Indigenous Peoples safeguards. We set out two concrete national-level proposals which involve, in essence, either improving the GCF's Operations Manual as used by the NDA under the Ministry of Economy and Finance or establishing a directive along the same lines:

- Ensure that the Operations Manual incorporates Free, Prior and Informed Consent as well as effective Indigenous participation into the national no-objection procedures for projects, programmes, and the Project Preparation Facility.
- Institutionalise, either through the Operations Manual or a sector directive, a formal space for ongoing coordination between the State and Indigenous Peoples that will enable the operationalisation of Indigenous Peoples safeguards in such a way as to encourage full respect, promotion and safeguarding of Indigenous Peoples in relation to climate finance, particularly the GCF.

We develop both proposals in more detail below.

3.1. Institutionalise FPIC and Indigenous participation in NDA procedures prior to granting no objection to funding proposals

The procedure for issuing no-objection letters for projects or programmes submitted to the GCF can take up to 47 days in Peru and is divided into eight stages. Of these eight stages, we consider there to be three key moments where Indigenous Peoples should be involved: **these are when the technical evaluations are carried out.** These three key moments are shown in red in Figure 1, below.

According to Art. 5 of SD 219-2020-EF, prior to requesting the no-objection letter, the Accredited Entity may voluntarily submit the concept note for the project or programme to the MEF in order to obtain the NDA's informed opinion. This voluntary mechanism can take up to 17 days. Once the MEF has received the concept note from the Accredited Entity, it sends a copy to MINAM within two working days and they then have up to 10 days to issue an opinion, after which the MEF has up to five working days to send the informed opinion to the Accredited Entity.

Although the informed opinion granted by the MEF does not guarantee that the project or programme will obtain a no-objection letter, the technical opinion of the Indigenous Peoples is key at this initial moment as a timely measure to prevent projects from progressing when they could be improved, reconsidered from a perspective of co-management with Indigenous Peoples and their organisations (if considered of interest to them), or rejected in a timely manner (because they are considered to infringe upon their collective rights). Accredited Entities would thus also avoid incurring costs for changes made to a later full proposal – based largely on Indigenous Peoples' observations made to a concept note.

As it is common for Accredited Entities to opt for this voluntary mechanism of submitting a concept note to the NDA prior to developing a full proposal, we recommend that, two working days after receiving the request for a concept note and project/programme, this should not only be forwarded to MINAM but also to the Indigenous Peoples and relevant organisations and that an appropriate timeframe be agreed with them within which to provide a technical opinion (SD 2019-2020-ED, Art. 5).⁶⁹ Although MINAM and the corresponding entities have 10 days to issue an opinion, a degree of flexibility will be required to accommodate the Indigenous decision-making process.

⁶⁹ In principle, the ongoing coordination space proposed in the following section could serve to guide Indigenous participation in this body. The involvement of the Vice-Ministry of Interculturality could also be considered in this space given that it could contribute an opinion with regard to the area of intervention and the potential presence of Indigenous Peoples in the area, for the purposes of official identification and a complementary technical opinion.

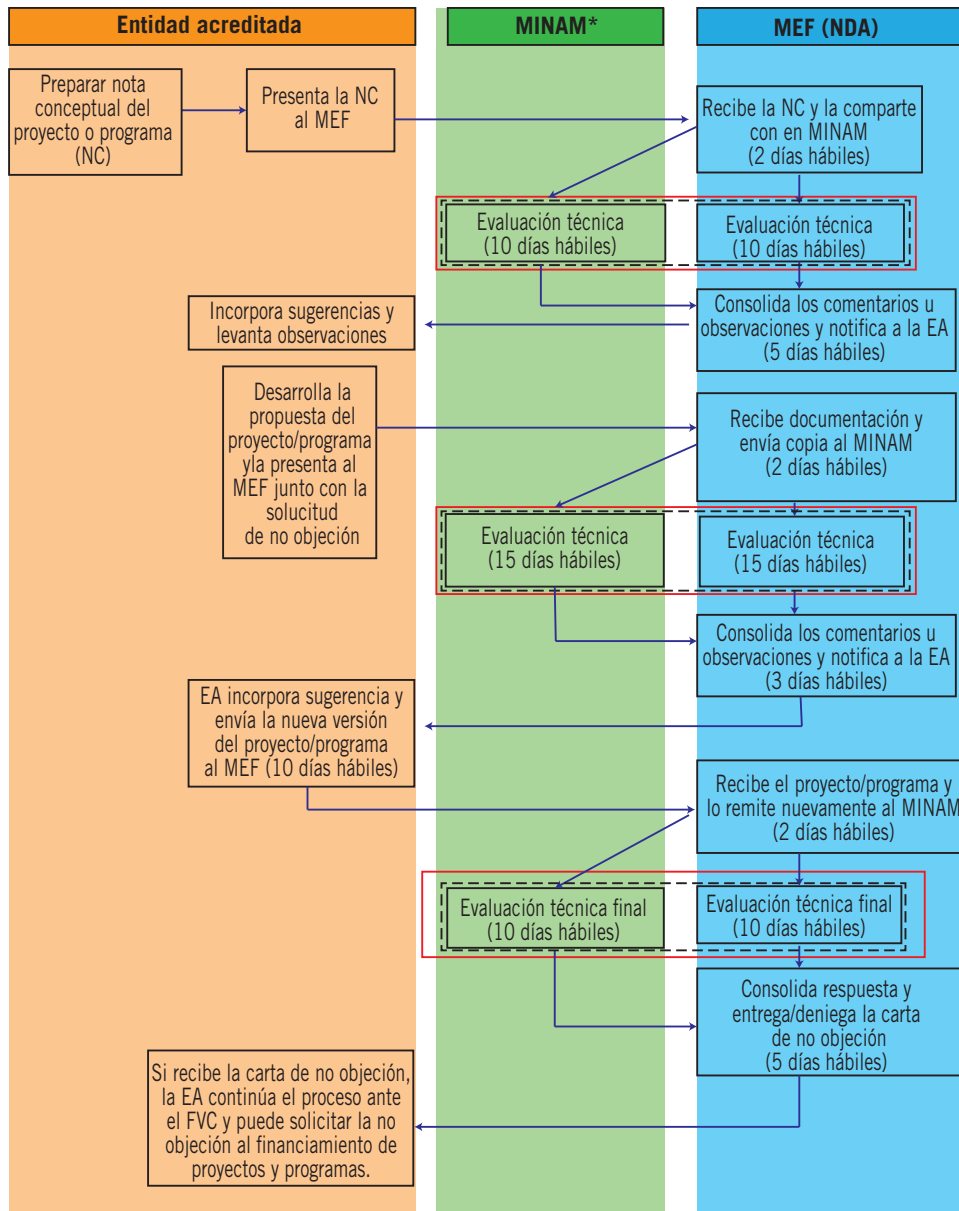


Figure 1. The Ministry of Economy and Finance's Procedure for Submitting Concept Notes and Applying for No-objection Letters for Projects/Programmes. Image: Ministerial Resolution No. 330-2020-EF/15 (Figure 2).

As with the recommendation to include Indigenous participation in the procedure for submitting concept notes and applying for no-objection letters for projects/programmes, we also recommend including this participation at two key points prior to granting no objection to the Project Preparation Facility (see red boxes in Figure 2 below).

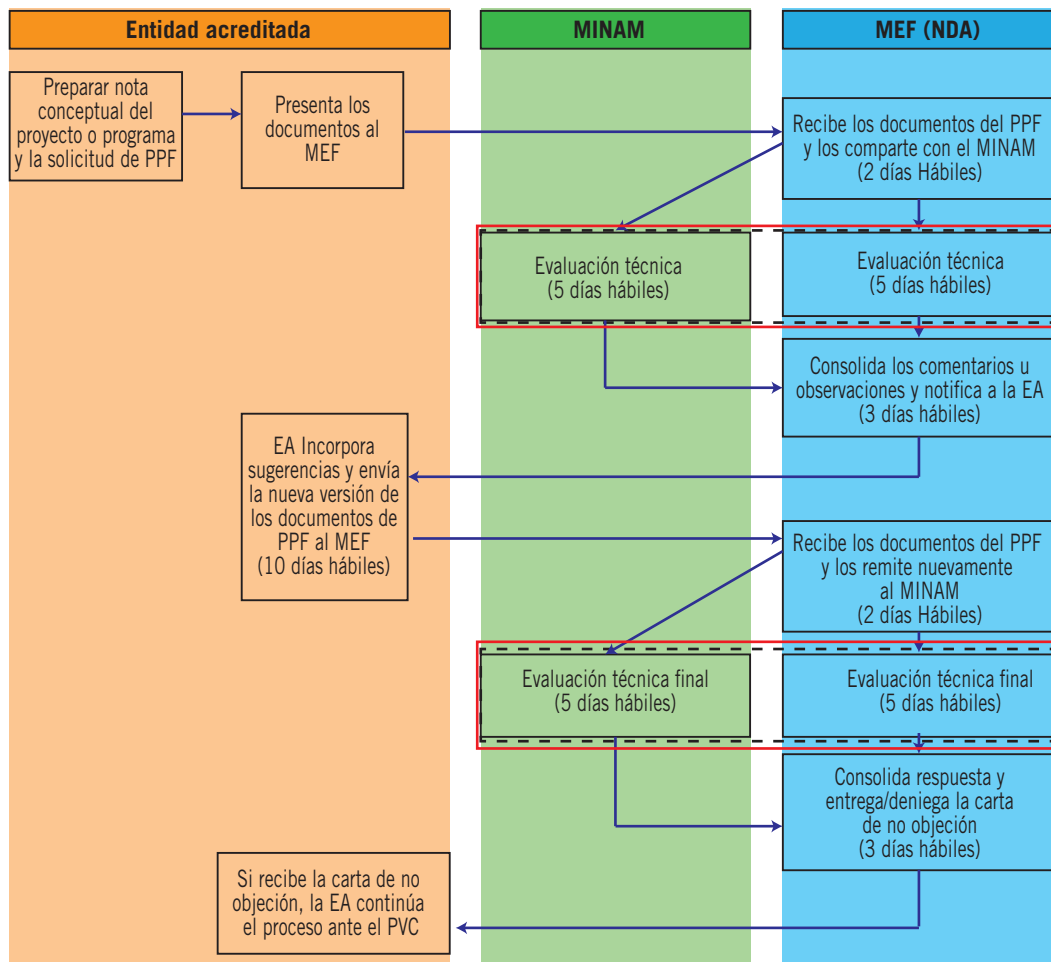


Figure 2. The Ministry of Economy and Finance's Procedure to Apply for No-objection Letters for the Project Preparation Facility (PPF). Image: Ministerial Resolution No. 330-2020-EF/15, Figure 4.

In terms of project/programme management, Indigenous Peoples' contributions have the potential to further develop the criteria by which proposals are evaluated and to ensure that they are in fact projects/programmes that respect the rights of Indigenous Peoples, including the right to FPIC. For example, when assessing the "potential impact" of a project/programme, Indigenous Peoples will have background knowledge on the population's current and future vulnerability to climate change risks and will know how much the project/programme can actually contribute to their reduction. They will be able to provide an evaluation of the "paradigm shift potential" of the project/programme, commenting on whether the intervention's results monitoring plan aligns with the logistical organisation and socio-political structure of the area (which tends to be meticulously grounded information in forest areas in Peru). In terms of the project/programme's "potential for sustainable development", they will be able to comment with rigour as to whether the positive or significant impacts proposed in terms of sustainable development/co-benefits are realistic and in line with the development visions of the Indigenous Peoples.

By exercising their right to FPIC and being effectively involved prior to the project/programme's approval, Indigenous Peoples will also be able to elect to be project/programme counterparts, if they so wish, and to propose guidelines or conditions to steer its design (documents specifying their participation in projects/programmes or protocols governing

relations with the State and external bodies). An example of this is the “Guidelines for the design and implementation of future projects/programmes involving Indigenous Peoples, communities and territories” prepared by ONAMIAP, FEDIQUEP, OPIKAFPE, FECONACOR and ACODECOSPAT (see Annex). The Autonomous Territorial Government of the Wampis Nation has also developed a Wampis Climate Strategy (GTANW, 2020) and has a governing relationships policy, developed within the framework of its autonomous government.

The timely incorporation of FPIC and Indigenous participation into the NDA's internal procedures also reduces the risk and increases the transparency and predictability of projects/programmes. Risk is a key aspect in the evaluation and approval process of projects/programmes given that “AEs [Accredited Entities] are accredited to design projects/programmes based on their level of risk” (Operations Manual, 2020: 11). The participation in and, if desired, co-design of proposals with Indigenous Peoples would allow for timely and rigorous mapping of risks involving peoples and territories and thus facilitate the viability of the proposals submitted. Along the same lines, involving Indigenous Peoples at the technical evaluation stages would meet the purpose of the no-objection request procedure established by the Operations Manual itself, which is to “guarantee a national technical analysis of the projects/programmes submitted to the GCF through a transparent process that generates predictability for all the actors involved in submitting the financing proposal” (2020: 13). Taking Indigenous and civil society stakeholders into consideration in addition to any public and private sectors that may form part of the proposal would guarantee a meticulous technical and, therefore, potentially more sustainable analysis during the life cycle of the project/programme, as well as after its completion.⁷⁰

The recommendation to extend the technical evaluation to Indigenous stakeholders is also supported by the reference in the Operations Manual to “orientation meetings”. The Operations Manual allows the Accredited Entities to “answer doubts and optimise the evaluation process of the national procedures for accessing GCF resources” (2020: 27). To this end, “AEs [Accredited Entities] can request face-to-face or virtual steering meetings with the NDA. The meetings are coordination spaces to deal with technical aspects of nominating entities and evaluating concept notes, projects/programmes or PPF requests submitted for evaluation” (2020: 27). These orientation meetings could be planned with Indigenous stakeholders for the same purpose, with the aim of optimising the management of the NDA and ensuring feasibility of the proposals.

The overall approach is consistent with another central objective in the issuing of a no-objection letter, which is that “when the NDA issues a letter to the GCF... it is communicating that the Peruvian government has no objection to the project/programme proposal. It confirms that the funding proposal is aligned with national regulations and priorities for low-carbon and climate-resilient development” (Operations Manual, 2020: 13; section 2.3.2). Referring to national priorities for climate change-resilient development and, in general, coordinating environmental conservation initiatives implies human rights and thus collective rights obligations under the international legal framework (see Tauli-Corpuz, 2016). In this sense, the Peruvian government, in its procedure for issuing a no-objection letter to a project/programme, is obliged to take into account the development visions of Indigenous Peoples.⁷¹

70 This latter is another key criterion in the evaluation of proposals by the GCF.

71 Consideration could be given to expanding the Operations Manual to explicitly state that the no-objection letter must confirm that the funding proposal is also aligned with the collective rights of Indigenous Peoples, including Free, Prior and Informed Consent, as well as the GCF Indigenous Peoples Policy. This would be one

Finally, given the precedent of the MEF making improvements to the national no-objection procedures since their first version was issued in 2017 (SD No. 146-2017-EF), it is realistic to consider that the sector could choose to further improve these by formally institutionalising Indigenous Peoples' rights in a new version of the Operations Manual. These improvements would also give Peru the opportunity to position itself as a case of best practice in the application of safeguards related to climate finance. There is also an interest on the part of Indigenous organisations and governments to contribute technically and politically to this effort.

3.2. Institutionalise a permanent coordination space between the NDA and Indigenous Peoples to operationalise Indigenous Peoples safeguards

While the previous recommendation focuses on obtaining the FPIC and participation of Indigenous Peoples prior to Accredited Entities' submission of concept notes and/or project/programme proposals to the GCF, this would relate to one-off participation on a case-by-case basis (whenever there is a specific concept note or proposal developed for funding). In order to concretely operationalise the Indigenous Peoples safeguards that the GCF itself sets out in its Indigenous Peoples Policy, however, we recommend that the NDA establish a permanent space for coordination with Indigenous Peoples. This structure would promote and ensure that, as stated in the Policy Objective, "activities of GCF are developed and implemented in such a way that fosters full respect, promotion, and safeguarding of indigenous peoples so that they (a) benefit from GCF activities and projects in a culturally appropriate manner; and (b) do not suffer harm or adverse effects from the design and implementation of GCF-financed activities" (IPP, 2018:3).

If we look at the 13 objectives of the GCF Indigenous Peoples Policy (Figure 3, below), we can see that their implementation requires a continuous development and updating of procedures, legal frameworks and management tools, as well as decision-making on the part of both the State and Indigenous Peoples through a relationship of continuous and gradually more equitable dialogue. Such permanent coordination spaces are all the more necessary when we consider the social diversity of the Peruvian State in relation to the Indigenous Peoples conforming it.

Although other climate action-related coordination spaces have not proven sufficiently effective in the view of some Indigenous organisations (e.g., the Indigenous Peoples Platform linked to the Framework Law on Climate Change), this proposal for creating a coordination space, potentially linked to spaces such as the Platform, is based on a concrete objective of operationalising safeguards related to climate finance, use of which is continuing to make progress in Peru. The space could even be envisaged as an "Indigenous Observatory on Climate Finance in Peru"

more way of contributing to the operationalization of Indigenous safeguards.

- (a) To support and promote the welfare, positive contributions and leadership of indigenous peoples to climate change mitigation and adaptation, based on their traditional knowledge systems, livelihoods, sustainable resource management systems and practices, in a manner that is accessible, rights-based, gender-responsive, culturally appropriate and inclusive;
- (b) To enable the critical role of indigenous peoples in assisting GCF to ensure more effective, sustainable and equitable climate change results, outcomes and impacts and to enable them to be active leaders and participants in the process;
- (c) To enable indigenous peoples present in, or with collective attachment to, the areas where GCF-financed activities are implemented (or activities proposed for GCF financing will be implemented) to be fully informed and consulted about, and have opportunities to actively participate in, project design and the determination of project implementation arrangements;
- (d) To provide a framework for GCF to anticipate and avoid any adverse impacts of its activities on indigenous peoples' rights, interests and well-being, and when avoidance is not possible to minimize, mitigate and/or compensate appropriately and equitably for such impacts;
- (e) To pay particular attention to the different challenges faced by women and girls and other groups within indigenous communities, and to promote the participation and leadership of women in GCF activities, given their role as traditional knowledge holders and custodians of cultural and spiritual heritage and values;
- (f) To enable and further realize full respect for the rights, dignity, aspirations, identity, culture, lifestyle, autonomy, protagonism, and natural resource-based livelihoods of indigenous peoples and territory management in the whole spectrum of activities and initiatives of GCF, and follow the principle in paragraph 22(c) of this Policy and the applicable international and regional instruments, where appropriate, such as ILO Convention 169 and UNDRIP;
- (g) To promote and respect indigenous peoples' rights to own, use, develop and control the lands, territories, and resources that they possess by reason of traditional ownership or other traditional occupation or use, as well as those that they have otherwise acquired;
- (h) To recognize, respect and preserve the culture, knowledge and practices of indigenous peoples, and to provide them with an opportunity to adapt to changing conditions in a manner and in a timeframe acceptable to them;

- (i) To foster full respect of as well as promote and preserve indigenous peoples' cultural and spiritual heritage and values, traditional knowledge, natural and economic resource management systems and practices, occupations and livelihoods, customary institutions and overall well-being;
- (j) To recognize and effectively apply the principle of free, prior and informed consent, as described in this Policy;
- (k) To establish and maintain continuing engagement based on fully informed consultation and effective participation of the indigenous peoples – including Indigenous women, youth and elders – affected by GCF-financed activities throughout the implementation of the activities;
- (l) To ensure that all grievance mechanisms associated with GCF activities are effective in addressing issues raised by indigenous peoples and are accessible, fair, transparent and culturally appropriate; and
- (m) To recognize and operationalize indigenous peoples' equitable access to the benefits of GCF-funded activities.

Figure 3. Objectives of the GCF's Indigenous Peoples Policy (IPP, 2018: 3-4)

Examples of how safeguards could be operationalised on the basis of the Indigenous Peoples Policy that might be decided in this “Observatory” include: drawing up the frameworks governing FPIC and “meaningful consultations”; contributing to, observing and/or ensuring timely compliance with Indigenous Peoples Plans (IPP), Community Development Plans, etc.; coordinating and ensuring respect for Indigenous representativeness in the projects/programmes; contributing to the application of rights-based, gender-sensitive and culturally appropriate and inclusive approaches; contributing to and/or ensuring that Indigenous Peoples in intervention areas have opportunities for timely participation and tools that promote their autonomy (e.g. relationship protocols or guidelines generated with their communities and which reflect the specific features of each group); defining participatory processes such as those outlined in the Operations Manual for instruments such as the Country Programme (Operations Manual, 2020: 19);⁷² among the functions of the NDA under “Monitoring and evaluating the programmes under the responsibility of the AE [Accredited Entity]” (section 2.3.2), include respect for FPIC, collective rights, and the policies and autonomous guidelines of Indigenous Peoples, among others.

In addition, the “Observatory” could adapt the Methodological Guide for the Evaluation of Concept Notes in the Operations Manual based on intercultural criteria. The Guide currently contains no obligations regarding the quality of procedures or reference to consent and, in

⁷² Section 4 of the Operations Manual, which establishes the Country Programme that identifies the strategic areas for climate change adaptation and mitigation, supports this analysis in three ways: national climate change regulations, national economic regulations and, finally, GCF investment criteria, on the basis of which guidelines are defined, along with other proposals for plans and programmes that ensure coherence and efficiency in access to and use of financing sources. This section states that these aspects should be conducted in a participatory manner but does not clarify how this participation would be carried out in a cross-cultural manner with Indigenous Peoples or how this participation would ensure the implementation of various GCF safeguards.

that sense, does not reflect the spirit of the GCF Indigenous Peoples Policy. The assessment of the sustainable development potential of a project/programme (Operations Manual, 2020: 31) currently focuses on economic indicators without referring specifically to the development indicators that have been set by Peru's Indigenous Peoples (e.g., in their Life Plans or similar, including those promoted by the Ministry of Culture). The "needs of the recipient" assessment (Operations Manual, 2020: 31) contemplates needs from the State's perspective without considering the need, for example, to strengthen Indigenous autonomies (especially where Indigenous peoples are considered project/programme "beneficiaries"). While referring to "consultation and feedback with civil society stakeholders and other relevant stakeholders", the "Country Ownership" assessment (Operations Manual, 2020: 32) does not contemplate consent. This implies that it is the Accredited Entities that set the parameters for the consultation processes when their design should in fact take place with Indigenous participation and respecting the policies established by the peoples themselves (for example, consultation protocols such as those developed by the GTANW). The "Observatory" would, in this sense, also serve as a space in which to define a more equitable dialogue around improvements to the Guide and other NDA tools, as well as to participatively establish more operational parameters (on how to carry out consultation and consent processes appropriate to the sociocultural features of each people and/or territory).

Accredited Entities interested in building alliances with Indigenous Peoples or those whose approved projects/programmes involve Indigenous Peoples would also find this kind of space an opportunity to establish timely, effective and adequate coordination enabling them to anticipate and avoid adverse impacts and, instead, promote the interests and well-being of Indigenous Peoples (enabling them to find out more about their Life Plans, autonomous policies, guidelines, protocols, other tools of Indigenous governance and/or proposals from the distinct developmental visions of each people).

Establishing a permanent coordination space would enable regular meetings and allow for a constant flow of information on the different projects/programmes. This includes feedback between the NDA, the Accredited Entities and the GCF Secretariat, which is not public but in which the Indigenous Peoples could contribute, if desired, in the interests of moving the jointly designed project/programme forward. The space would also require consensually-agreed regulations in order to organise the roles of the actors involved and the programmatic aspects (how and when information is shared), and would allow for the collective building of protocols, regulations and other governance agreements by consensus and with the consent of the Indigenous Peoples in the intervention areas or in future projects/programmes.

The NDA would need to ensure that this "Observatory" has funding so that participatory management is effective and equitable (including, for example, covering the travel costs of Indigenous representatives to decision-making spaces, as well as training and/or technical assistance, if deemed necessary, to ensure informed decision-making). It is crucial that the State does not burden Indigenous organisations/governments with the costs of travel, accommodation, access to information and time, which would only deepen asymmetries in accessing dialogue. Even for virtual meetings during the COVID-19 pandemic, when meetings are organised by the State, Indigenous Peoples' participation (and preparation) time should not be on an *ad honorem* basis as this only reinforces inequalities in relation to officials whose time is covered by a salary (in addition to travel expenses and security).

This is also a proposal that needs to go hand in hand with improvements in communication technologies. The Peruvian State does not have telecommunication networks in many

Indigenous territories and so there is often significant expenditure (petrol and/or vehicle rental) involved in travelling to places with a connection, as well as long periods of travel back and forth, resulting in a loss of earnings for Indigenous representatives who have to drop their usual activities (such as supporting their family). It is crucial to consider GCF-supported funding opportunities so that the State can take Indigenous partners' infrastructural disadvantages into account when creating spaces for participation and allocate specific funds to cover travel to urban areas, stable Internet connections and training in the use of applications.

The proposed space could be established through a sector-specific directive or via the Operations Manual. The financing of the "Observatory" could also be considered in a Readiness Proposal submitted to the GCF by the MEF, one (or more) Accredited Entities and the Indigenous organisations.⁷³

3.3. Final reflections on the Indigenous proposals

Both national-level proposals described here are aimed at encouraging the MEF –as NDA in Peru– to initiate intercultural adaptation processes in relation to national procedures for accessing climate funds and to ensure consistency of its work on Indigenous participation. Indigenous Peoples are key actors in the implementation of climate-related policies and programmes. These proposals are also of a nature that should prevent potential violations of Indigenous Peoples' rights. Spaces are proposed that would enable key actions to ensure that Indigenous Peoples are not affected following the approval of GCF-funded projects/programmes.⁷⁴

Their purpose is also to improve transparency of information, both in the initial design (prior to project/programme approval) and during project/programme implementation (in the case of approved projects/programmes). The inclusion of Indigenous Peoples in the technical evaluation prior to no objection would provide Indigenous Peoples with full and adequate access to the submission of concept notes or full proposals without having to wait for these to be made public on the GCF website once submitted and/or approved. It would also allow for adjustments, comments and/or rejection of proposals that affect Indigenous Peoples without waiting for the later stages of project implementation to initiate a grievance and redress process.

The recommendations are consistent with the implementation of the GCF's Indigenous Peoples Policy and also offer Peru the possibility of becoming a case of international best practice in relation to implementing Indigenous Peoples safeguards.

There are a number of other recommendations that emerged as part of the dialogue with the Indigenous organisations and governments participating in this report, but which are beyond the scope of this document. These are, however, listed below for future development and reference:

73 In fact, there is an open window in 2022 for the submission of Readiness Proposals and the Indigenous organisations involved in this report have shown an interest in this.

74 This Policy specifically informs NDAs and focal points that any consultative process through which national climate change priorities and strategies are to be defined must also take into consideration applicable national and international policies and laws on Indigenous Peoples. In addition, the criteria and options for country coordination through consultative processes must include Indigenous Peoples appropriately.

- o As proposed in this report for Peru, the GCF could promote the institutionalisation of FPIC and Indigenous participation in the internal procedures of NDAs generally and establish Indigenous or Citizen Observatories to monitor and coordinate progress of their financing in these countries. This would contribute to addressing the serious problem of a disproportionately State-centred structure to ensure compliance with safeguards. This is provided the NDAs are committed to complying with policies such as the Indigenous Peoples Policy established in the GCF and that the GCF, as part of the guiding principles of its Indigenous Peoples Policy, is committed among other things to “encourage national designated authorities and accredited entities to engage with and be inclusive of Indigenous Peoples. GCF may consider taking actions to better meet the needs and priorities of Indigenous Peoples to support their initiatives and efforts for climate change mitigation and adaptation actions” (IPP, 2018: 7; Guiding Principle g)
- o The GCF could promote the production of annual parallel reports (for example, regional, or even produced by the newly-created Observatories), thus allowing actors such as Indigenous Peoples and civil society to report on the progress, limitations and positive and negative impacts of the projects/programmes. This tool could be used to facilitate Indigenous Peoples' access to and follow up of mechanisms such as the IRM, for example.
- o In the case of multi-country initiatives, the GCF could consider establishing or expanding its policies to promote the coordination of the NDAs from the different countries and different Indigenous Peoples involved. This may be particularly relevant for Indigenous Peoples whose territories cross national borders when collaboration may be required to assess and avoid synergistic and cumulative impacts.
- o In the Readiness Proposals, the GCF could encourage the NDA to channel funding for the operationalisation of safeguards in these countries. This would include, for example, the possibility of Indigenous Peoples accessing funding to develop and/or improve capacities related to the functioning of the GCF, thus enabling them to participate in its processes adequately. It could also offer resources so that, in the exercise of their autonomy and the strengthening of their self-governments, they can develop collective tools for dealing with climate finance (and climate action in general), allowing them greater equity in the dialogue and respect for FPIC.





Overall Conclusion

Globally, progress is being made with regard to climate change adaptation and mitigation strategies. These strategies include the gradual development of financing mechanisms and the recognition and participation of the world's Indigenous Peoples as relevant actors in environmental protection and climate action. The GCF forms a part of these strategies, supporting a range of adaptation and mitigation projects and programmes in more than 100 countries to an amount of approximately USD 9 billion.

The GCF has an explicit interest in including considerations related to Indigenous Peoples in its decision-making, and this is gradually generating interest among the States Parties to the United Nations Framework Convention on Climate Change. Within this context, this document has sought to present updated information on GCF investments in Peru specifically and, on this basis, to make recommendations aimed at overcoming the main limitations encountered in applying Indigenous Peoples safeguards. We specifically highlight the need for changes in the structure established by the NDA - the Ministry of Economy and Finance (MEF) - for accessing climate funds. In essence, we propose institutionalising Indigenous participation, equity, and consent in decision-making procedures prior to the approval of climate funded projects/programmes, specifically those of the GCF.

The first part of the document demonstrated that there are regulatory frameworks in Peru that are in harmony with the GCF Indigenous Peoples Policy that could guarantee Indigenous participation in climate actions. The creation of a Framework Law on Climate Change and its implementing regulations, including important standards for Indigenous participation, produced through a process that involved broad civil society participation, has put Peru at the forefront of environmental legislation. Moreover, as part of the Peruvian government's relationship with the GCF, and in coordination with MINAM, the MEF has prepared two internal regulations governing its role as NDA. Progress has been equally evident with regard to the submission of proposals and approval of projects and programmes. In fact, the first project financed by the GCF was in Peru and in the Amazon region. There are currently eight Readiness Support

Proposals approved as well as four projects approved and six more in the pipeline (in concept note form, submitted between 2018 and 2020).

Notwithstanding the progress the country has made (given also that the GCF is a relatively new mechanism in operation no more than a decade), and the existence of GCF-level mechanisms such as the Indigenous Peoples Policy, the Independent Redress Mechanism (IRM), a Panel of Independent Experts in the approval processes, and active observers voicing their concerns in Board meetings, etc., both the MEF and the GCF have been endorsing proposals that comprise potential violations of Indigenous Peoples' rights. The analysis notes that while four of the six concept notes involve Amazonian and Andean Indigenous Peoples, only two specifically consider Indigenous Peoples safeguards. While these concept notes will not necessarily go on to become full approved proposals, they do indicate a lack of timely implementation of safeguards. Along the same lines, the analysis shows that projects approved in Peru that involve Indigenous Peoples and territories still have the potential to violate collective rights. Against this backdrop, an analysis of national regulations for accessing GCF funds shows that procedures prior to the NDA issuing the no-objection letter do not ensure Indigenous participation in any of their spaces and that the possibility of reversing this shortcoming offers an opportunity to improve and operationalise safeguards in line with existing frameworks. These include the Framework Law on Climate Change and its implementing regulations, which in Peru explicitly state (even with their limitations) that the State shall safeguard the Indigenous Peoples' right to participation.

In terms of the procedures established by the NDA in Peru, we found a lack of recognition of Indigenous Peoples' participation at both a procedural and structural level. Procedural in that the Operations Manual, which sets out how GCF financing is to be accessed in Peru, overlooks Indigenous participation in its flows and mechanisms. Structural in that our analysis indicates that a key problem is the disproportionately State-centred approach, which relies on NDAs to ensure compliance with Indigenous Peoples' rights in intervention areas even though the GCF Indigenous Peoples Policy acknowledges a general lack of Indigenous access to participatory mechanisms and extensive scenarios of infringements of rights in these countries (such as compliance with FPIC).

This situation places the Indigenous Peoples Policy at risk of becoming a discursive instrument with no possibility of being fulfilled. This is why this report has focused on two recommendations aimed at initiating a dialogue on operationalising the policy at Peruvian level. On the one hand, we propose the incorporation of Free, Prior and Informed Consent (FPIC) and effective Indigenous participation into the procedures established by the MEF's Operations Manual for the GCF with regard to no objection to projects/programmes/PPF. On the other, we propose that the MEF institutionalise a formal space for ongoing coordination between the State and Indigenous Peoples that will allow for the operationalisation of Indigenous Peoples safeguards in such a way as to encourage full respect, promotion and safeguarding of Indigenous Peoples in relation to climate finance, particularly the GCF. This space will need to be properly financed in order to create conditions conducive to an equitable dialogue and gradual progress that avoids unnecessary bureaucracy (given the experience of creating other spaces).

These proposals require changes in the NDA's regulations that will promote Indigenous Peoples and their organisations and/or territorial governments as agents of decision-making in relation to GCF climate resources for financing projects/programmes that may involve

their peoples and/or territories. The Operations Manual has already undergone changes aimed at improving it between 2017 and 2020 and so it is not unreasonable to consider further amendments that would also improve the relationship between the Peruvian State and Indigenous Peoples in a context of celebrating the bicentennial of the Republic. These amendments and the initiation of an open dialogue on proposals put forward by Indigenous Peoples bring about a unique opportunity to make Peru a model country in terms of implementing Indigenous Peoples safeguards related to climate actions. There are isolated initiatives in Asia in which Indigenous Peoples are putting forward general ideas for future projects to the GCF but this would be the first case to address structural changes that could give rise to the possibility of rethinking and working on alternative climate strategies between the State and Indigenous Peoples that are innovative and respectful of Indigenous Peoples' development visions.





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About our partners

Autonomous Territorial Government of the Wampis Nation (GTANW)

The GTANW was established on 29 November 2015 with the aim of addressing the threats to its ancestral territory by implementing a system of territorial management in harmony with Wampis customs and able to guarantee a good life (*Tarimat Pujut*) for its population. It is a self-governing structure that brings together 22 titled Indigenous communities and their various annexes through an integral territorial approach that aligns principles, objectives, control, regulation, management and autonomous government. The Wampis integral territory comprises 1,327,760 hectares and is located in northern Peru. According to the political-administrative division of the country, it is located in the Amazonas and Loreto regions and in the Santiago and Morona river districts, where it covers two large river basins: the Kanús (Santiago) and Kankain rivers (Morona). It has a population of approximately 16,000 inhabitants. Anthropological studies show that the Wampis people have lived here for more than 7,000 years, making them one of the Peruvian Amazon's pre-Columbian cultures.

National Organisation of Andean and Amazonian Indigenous Women of Peru (ONAMIAP)

ONAMIAP was established at its Founding Congress on 25 November 2009 as the culmination of a process that began in 1995. The organisation fights for full exercise of individual and collective rights as women and Indigenous Peoples. It implements actions aimed at strengthening grassroots organisations, raising awareness of proposals and demands, influencing the public agenda and gaining representation at the national and international levels. The thematic areas of its political agenda are: (1) Land and territory; (2) Climate change; (3) Food sovereignty and security; (4) Political participation of Indigenous women; (5) Intercultural health; (6) Indigenous and intercultural education; (7) Combatting all forms of violence against women; and (8) Solidarity and sustainable economy.

Amazonian Indigenous Peoples United in Defense of their Territory (PUINAMUDT)

The PUINAMUDT platform is made up of four Amazonian Indigenous federations bringing together over 100 Indigenous communities from the Loreto region whose territory is affected and superposed by Oil Blocks 192 and 8 (within what is referred as the direct and indirect spheres of influence of the oil activity), as well as by the Norperuvian Pipeline and its branches. These include FEDIQUEP, FECONACOR, ACODECOSPAT, and OPIKAFPE representing Quichua, Achuar, Kukama Kukamiria, Urarina, and Kichwa Indigenous Peoples. Since it was created in 2011, PUINAMUDT has achieved unprecedented commitments from the Peruvian State and the Regional Government of Loreto with regard to their rights, enabling progress in the vindication of some of their demands and in public policy at different scales.

Quechua Indigenous Federation of Pastaza (FEDIQUEP)

FEDIQUEP brings together 20 communities and annexes of the Pastaza River basin, 14 of which fall under Andoas District, and six Pastaza District, Loreto province. It comprises both Quechua and Achuar nationalities. Six of these communities fall within the direct sphere of influence of Oil Block 192.

Federation of Native Communities of the Corrientes Basin (FECONACOR)

FECONACOR brings together 13 Achuar communities from the Corrientes River basin within Trompeteros District. Six of these communities fall within the scope of Oil Block 192, while others are within the scope of Oil Block 8.

Cocama Association for the Development and Conservation of San Pablo de Tipishca (ACODECOSPAT)

ACODECOSPAT brings together 61 Kukama-Kukamiria and Urarina communities in the Marañon and Chambira river basins. A number of these communities are located within the scope of Oil Block 8.

Organisation of the Amazonian Kichwa Indigenous People of the Peru-Ecuador Border (OPIKAFPE)

OPIKAFPE brings together five Kichwa communities of the Upper Tigre basin, located within the scope of Oil Block 192. Its territory borders Ecuador.



*** Valores y Principios**

- Honestidad.
- Responsabilidad.
- Respeto.
- Honesty.
- Solidarity.
- Antagora

(Cualidad)



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Tupac Katari
Andino - Am

ANNEX

Summary of guidelines for the design and implementation of future projects/programmes involving Indigenous Peoples, communities, and territories

This document contains seven key guidelines that the undersigned Indigenous organisations and autonomous governments of the Indigenous nations consider necessary when designing and then implementing, monitoring and evaluating projects/programmes involving Indigenous Peoples and territories, whether exclusively or not.⁷⁵

Objective: To guide the design and implementation of future climate financed projects/programmes like the Green Climate Fund (GCF) involving Indigenous Peoples and territories, to guarantee compliance with Indigenous Peoples' rights and strengthening Indigenous governance and autonomy.

- 1. Project/programme co-management.** Ensure the participation of Indigenous Peoples in the design and implementation of projects/programmes, which means (in the latter case) programme management that includes their full participation and with Indigenous decision-making power at managerial and programmatic level, respecting their collective rights and the governance principles established by each of them.
- 2. Indigenous governance.** Respect the governance structures of Indigenous organisations and governments in project/programme management and

⁷⁵ The GCF Indigenous Peoples Policy Document (Decision B.19/11, Annex XI) states an obligation to involve and consult with Indigenous Peoples on these projects or programmes in both situations (sole or non-sole beneficiaries).

include elements that will strengthen that governance and the organisations' capacity to manage projects/programmes and community initiatives.

- 3. Multisectoral governance.** Ensure effective participation (with technical support, if necessary) and informed and culturally appropriate decision-making on the part of Indigenous organisations and governments in local, regional and/or national governance spaces on key issues relating to territorial and natural resource management in the face of climate change. In close cooperation with the Indigenous Peoples, multisectoral work and coordination spaces should be promoted at different levels of State governance where management mechanisms (policies, plans, development tools, methodologies) are agreed in order to respect and incorporate the development visions of each Indigenous people and enhance access to the benefits of projects/programmes.
- 4. Territorial management and surveillance.** The projects/programmes should incorporate actions to ensure the protection, surveillance and control of territories where projects/programmes are to be implemented, with full respect for and close coordination with the existing Indigenous governance structures (strengthening autonomous monitoring programmes, community surveillance committees, etc.).
- 5. Indigenous knowledge, sciences, and technologies.** The projects/programmes should not impose foreign technologies and should, in close coordination with Indigenous organisations and governments, include ancestral knowledge, practices and technologies related to each people's management of their territory. This will make the rescue, recognition, valuing and inclusion of ancestral knowledge possible, and will promote spaces for intergenerational exchange that can consolidate new generations of Indigenous Peoples.
- 6. Gender and youth.** Mainstream participatory gender and youth approaches across all project/programmes' results, products and activities. Spaces for collective reflection should be promoted in each village to develop differentiated criteria for each approach.
- 7. Cross-cultural communication.** The projects/programmes should have a communication, information and project monitoring component with an intercultural approach and autonomous management. This should include communication strategies in the territories (to keep the communities informed, and fully participating) and external communication strategies (informing the wider society). Autonomous monitoring and evaluation mechanisms managed by Indigenous organisations and governments should also be considered.

Disclaimer: These guidelines focus solely on the participation of Indigenous Peoples in the design and implementation of future projects/programmes. Considerations around *sourcing of funding* for said projects/programmes are beyond the scope of these guidelines. Therefore, even when if complying with these guidelines, a proposal for a future project/programme may still be challenged by Indigenous Peoples and/or organisations due to the funding sources involved. It should be further noted that the current debate on carbon trading schemes is still evolving and requires internal reflection on the part of Indigenous groups as to their position in this regard.



The National Organisation of Indigenous Women of Peru (ONAMIAP)

The Federation of Native Communities of the Corrientes River Basin (FECONACOR)

The Cocama Association for the Development and Conservation of San Pablo de Tipishca (ACODECOSPAT)

The Quechua Indigenous Federation of Pastaza (FEDIQUEP)

Organisation of the Indigenous Kichwa Amazonian Peoples of the Peru-Ecuador Border (OPIKAFPE)

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