







TRUSTED EVIDENCE INFORMED POLICIES HIGH IMPACT

Independent Evaluation of the GCF's Approach to

Indigenous Peoples

January 2025



atter atter atter atter att

Executive summary

GREEN CLIMATE FUND INDEPENDENT EVALUATION UNIT

Independent Evaluation of the Green Climate Fund's Approach to Indigenous Peoples

FINAL REPORT

01/2025

© 2025 Green Climate Fund Independent Evaluation Unit 175, Art center-daero Yeonsu-gu, Incheon 22004 Republic of Korea Tel. (+82) 032-458-6450 Email: ieu@gcfund.org https://ieu.greenclimate.fund

All rights reserved.

First Edition

This evaluation is a product of the Independent Evaluation Unit at the Green Climate Fund (GCF/IEU). It is part of a larger IEU effort to provide open access to its research and work and to make a contribution to climate change discussions around the world.

While the IEU has undertaken every effort to ensure the data in this report is accurate, it is the reader's responsibility to determine if any and all information provided by the IEU is correct and verified. Neither the author(s) of this document nor anyone connected with the IEU or the GCF can be held responsible for how the information herein is used.

Rights and Permissions

The material in this work is copyrighted. Copying or transmitting portions all or part of this Report without permission may be a violation of applicable law. The IEU encourages dissemination of its work and will normally grant permission promptly.

The IEU reserves the right to edit text for brevity and clarity in subsequent reprints.

Citation

The citation details for this evaluation are as follows: Independent Evaluation Unit (2025). *Independent Evaluation of the Green Climate Fund's Approach to Indigenous Peoples*. Executive summary (January). Songdo, South Korea: Independent Evaluation Unit, Green Climate Fund.

Credits

Head of the GCF Independent Evaluation Unit: Andreas Reumann Task managers: Genta Konci, Evaluation Specialist (Lead); Rishabh Moudgill, Policy and Evaluation Specialist (Deputy Lead); Independent Evaluation Unit Editing: Greg Clough Layout: Giang Pham Cover design: Therese Gonzala Cover photo: © Genta Konci, Rishabh Moudgill

A FREE PUBLICATION

Printed on eco-friendly paper

CONTENTS

ABBREVIATIONS	IV
EXECUTIVE SUMMARY	1
Background	3
Methodology	3
Key findings and conclusions	4
Key conclusions and recommendations	6

ABBREVIATIONS

AE	Accredited entity
B.37	Thirty-seventh meeting of the Board
СОР	Conference of the Parties
FPIC	Free, prior and informed consent
GCF	Green Climate Fund
GRM	Grievance redress mechanisms
IEU	Independent Evaluation Unit
IP	Indigenous Peoples
IPAG	Indigenous Peoples Advisory Group
IPO	Indigenous Peoples' Organization
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Planning Framework
IRM	Independent Redress Mechanism
NDA	National Designated Authority
PPF	Project Preparation Facility
RPSP	Readiness and Preparatory Support Programme

EXECUTIVE SUMMARY

BACKGROUND

At the thirty-seventh meeting of the Board (B.37) of the Green Climate Fund (GCF) held in Tbilisi, Georgia, from 23–25 October 2023, the Board approved the Independent Evaluation Unit's (IEU) workplan for 2024. The approved workplan included a mandate for the IEU to independently evaluate the GCF's approach to Indigenous Peoples (IPs). The evaluation aimed to objectively assess the GCF's approach towards IPs, focusing on the relevance and effectiveness of the *Indigenous Peoples Policy* (hereafter referred to as "IPs Policy" or "the Policy").

The GCF's approach to IPs is anchored in its Governing Instrument paragraph 71, which states that "the Board will develop mechanisms to promote the input and participation of stakeholders, including private-sector actors, civil society organizations, vulnerable groups, women and Indigenous Peoples, in the design, development and implementation of the strategies and activities to be financed by the Fund". The United Nations Framework Convention on Climate Change (UNFCCC) recognized the rights and roles of IPs in climate action, and references to the United Nations Declaration on the Rights of Indigenous Peoples (2007) and the UN Human Rights Council Declaration 10/4 on climate change and human rights (2009) in several UNFCCC decisions.¹²

Additional guidance from the Conference of the Parties (COP) to the GCF on working with IPs has been provided through various COP decisions aimed at adopting specific measures to protect IPs' rights. This guidance culminated in the request for the GCF Secretariat to develop a Fund-wide policy regarding IPs. The GCF articulated the IPs Policy adopted by the Board and contained in annex XI to decision B.19/11. The IPs Policy aims to provide a structure that ensures GCF activities are designed and implemented in ways that respect and safeguard IPs, are culturally appropriate, and do not cause harm.

The evaluation examines the GCF's overall approach, assessing its relevance and alignment with international commitments related to IPs. It also examines how the GCF Governing Instrument, the UNFCCC, and a range of IPs-related policies have shaped the Fund's approach to IPs. The evaluation also assesses the GCF's strategies for implementing the IPs Policy alongside other GCF policies. Additionally, the evaluation examines the strengths and weaknesses of key aspects of the Policy and their alignment with IPs' priorities, including integrating traditional knowledge, cobenefits for Indigenous communities, gender inclusivity, and grievance mechanisms. Finally, the evaluation addresses the role of country context, the implementation of free prior and informed consent, and compliance as underpinning factors in the Policy's implementation.

METHODOLOGY

The evaluation used mixed methods for data-collection and analysis, as established in its approach paper³. The findings were based on an extensive documents and literature review, semi-structured interviews with more than 300 stakeholders, five case studies and analyses, syntheses, and benchmarking with comparator organizations and portfolio and data analysis led by the IEU DataLab.

¹ FCCC/CP/2010/7/Add.1. Decision 1/CP.16.

² United Nations, *Paris Agreement* (United Nations Framework Convention on Climate Change, 2015). Available at https://unfccc.int/sites/default/files/english_paris_agreement.pdf.

³ Independent Evaluation Unit, *Independent Evaluation of the GCF's Approach to Indigenous Peoples Approach Paper* (2024). Available at <u>https://ieu.greenclimate.fund/sites/default/files/document/ip2024-approach-paper.pdf</u>.

KEY FINDINGS AND CONCLUSIONS

FINDINGS

Finding 1. The GCF's approach towards IPs is defined primarily by the Policy and supported by the environmental and social safeguards. The Policy is widely regarded for many of its strengths.

Finding 2. The Policy is consistent with the UNFCCC's guidance to the GCF. However, from a normative perspective and to align with more recent advancements in the international narrative, additional foundational and operational details are warranted.

Finding 3. GCF safeguarding policies are broadly aligned in intent towards IPs, but inconsistent terms and concepts can undermine how IPs are considered. The Policy is not fully integrated into the GCF's safeguarding policies, which may lead to inconsistent application.

Finding 4. The Indigenous Peoples Advisory Group (IPAG) was established to advise and enhance dialogue among IPs-related stakeholders within the GCF ecosystem. While the IPAG is still establishing its institutional linkages and resources, its creation holds promise for implementing the Policy effectively.

Finding 5. As outlined in its policies and strategies, the GCF's overall approach towards IPs focuses on two key areas: (i) preventing harm through safeguards, and (ii) promoting information sharing, participation and consultation. While commendable, this approach lacks a clearly defined commitment to providing IPs with specific access to resources or benefits.

Finding 6. GCF projects are expected to focus on national-level or country priorities. Its National Designated Authority (NDA)-centred and accreditation-based model presents a systematic challenge to IPs accessing GCF resources directly.

Finding 7. External evidence suggests that supporting IPs can cost-effectively and sustainably achieve mitigation and adaptation results. Yet, the GCF is the only major multilateral climate fund without a specific mechanism or commitment to support IPs.

Finding 8. The precise number of IPs beneficiaries cannot be determined, nor can the finance directed towards them be estimated. The evaluation team estimates 128 GCF projects include activities relevant to IPs.

Finding 9. International accredited entities manage a larger proportion of the GCF's IPs-relevant projects. Most of these projects are either medium or small in size and present a category B level of environmental or social risk.

Finding 10. The GCF's approach to IPs is perceived primarily as a compliance exercise rather than an opportunity to harness the contribution of IPs in implementing climate actions and achieving meaningful results. The Policy's compliance-driven approach disincentivizes AEs from developing meaningful projects involving IPs, potentially leading to their exclusion from GCF projects.

Finding 11. Alternative access modalities like simplified approval process and project-specific assessment approach and technical assistance modalities like Project Preparation Facility (PPF) do not sufficiently integrate IPs considerations or specifically support IPs-relevant projects.

Finding 12. Readiness and Preparatory Support Programme (RPSP) can be a crucial and effective modality for integrating IPs' considerations into GCF programming. Yet, the use of RPSP has been opportunistic.

Finding 13. The Policy and other strategy and policy decisions by the Board encourage integrating traditional knowledge into projects and GCF-financed activities where suitable. However, this

evaluation finds that applying this knowledge depends on the time and resources available to AEs. When utilized, this knowledge enhances project relevance and sustainability.

Finding 14. As the GCF lacks portfolio-level commitments focusing on IPs, its monitoring and results measurement systems do not track or monitor specific IPs-related indicators, making it impossible to assess Fund-wide results regarding IPs.

Finding 15. While a portfolio-level assessment of results is not feasible, some emerging outcomes are visible in individual projects. The evaluation finds that IPs project-level outcomes correlate with national contexts and power dynamics among actors. The outcomes can be affected by the level of meaningful participation of IPs in project decision-making processes and benefit-sharing mechanisms.

Finding 16. The GCF's monitoring framework does not mandate tracking or reporting co-benefits specifically related to IPs, resulting in the GCF missing the opportunity to assess and understand the broader impacts of its funded projects on IPs. The scope of co-benefit remains limited during the design, approval, and monitoring phases.

Finding 17. Despite the general alignment of GCF policies on gender, Indigenous women are not systematically targeted by IPs-relevant projects. The participation of Indigenous women is limited to capacity-building efforts, not amounting to proactive empowerment. The case studies offer a glimpse of diverse activities targeting Indigenous women.

Finding 18. The GCF provides an architecture for grievance redress, accessible to IPs through three channels: at the project level, at the accredited entity (AE)'s level, and by approaching the GCF's Independent Redress Mechanism (IRM). IPs face general issues in accessing redress using the GCF's architecture.

Finding 19. There is mixed evidence on the effectiveness of grievance redress mechanisms (GRMs) at the project level. In some cases, the GCF's IRM has addressed grievances, including those related to project closure. An important lesson from the IRM's experience is the importance of an exit strategy for projects, which GCF does not have.

Finding 20. While the Policy's application is broad in scope, its implementation is rooted in and subject to the national context, where the GCF does not play a proactive role. Consequently, the Policy's implementation is highly variable and falls outside the GCF's direct sphere of influence.

Finding 21. The Policy frames the use of free, prior and informed consent (FPIC) as a generally well-intentioned iterative process. In practice, however, FPIC is limited by scope of its application, timing in project origination (which can view FPIC as a one-off event rather than a continuous process), and the availability of resources to support the good faith negotiations expected by the GCF.

Finding 22. The evaluation finds mixed evidence on using FPIC to empower IPs to actively shape or reject GCF projects. However, in cases where IPs are able to shape the consent process meaningfully, it leads to sustainable project outcomes.

Finding 23. Due to inconsistencies in the documentation regarding the oversight of the Policy's implementation after project approval, it is not possible to draw a more significant conclusion on its effectiveness. Monitoring of compliance requirements has limitations, which can expose the GCF and IPs to risks.

KEY CONCLUSIONS AND RECOMMENDATIONS

KEY CONCLUSIONS

The GCF is a vital pillar in climate finance's global architecture. Its prominent position in this architecture means the GCF's approach to IPs extends beyond its articulation and implementation. It also sets a normative precedent, shaping the broader discourse on IPs and climate finance. Against this background, the GCF's approach to IPs demonstrates many notable strengths while presenting significant opportunities for improvement.

At the time of its approval, the GCF's policy framework set a relatively high standard, conveying a worthy message across its vast network about the historical and rightful position of IPs in climate ambition. Nevertheless, this evaluation identified two key dimensions of the Fund's approach related to the GCF's position and contributions.

On the one hand, the GCF aspires to enhance the rights of IPs and channels climate finance to several projects around the world that directly benefit IPs. The GCF's ability to programme at scale, regardless of a country's income status, and to provide highly concessional support targeting vulnerable and marginalized communities represents a powerful signal and a meaningful contribution. Currently, the GCF emphasizes a "do-no-harm" approach, focusing on safeguarding IPs from any potential adverse impacts caused by its projects. This approach is commendable. However, this approach is not fully implemented as intended. Several institutional measures can be corrected to improve this implementation. For instance, to fully realize its compliance-focused approach, many aspects of compliance need to be established, reinforced or calibrated. Additionally, the use and integration of traditional knowledge in GCF activities remain limited.

While the GCF positions itself as a second-level due diligence institution in matters related to IPs, it has yet to strike a balance between applying the Policy flexibly and ensuring compliance with minimum standards across the immense diversity of projects and AEs. For example, FPIC remains more of an art than a science, posing an ongoing challenge for the GCF to ensure that FPIC is fully followed as intended by the Policy and that a robust FPIC process contributes positively to a project's results. Similarly, the rights and concerns of IPs are to be further ensured and addressed when project-level GRMs function effectively. However, GRM mechanisms face challenges related to access by IPs and limited oversight of their reporting.

The second dimension relates to parts of the Policy that aspires to enhance the rights of IPs. The Policy's implementation is rooted in and subject to the national context. Without state recognition, the GCF has limited means to operationalize certain aspects of the Policy, particularly provisions that affirm the right of IPs to own, use, develop and control lands, territories, and resources, as well as other assertive elements of the Policy. Therefore, the effectiveness of GCF funded projects is subject to national contexts and how national legal frameworks perceive IPs. GCF projects often navigate the challenge by avoiding programming directly with IPs or not formally identifying them as such. This approach can create a paradox where, despite the Policy's intentions, GCF resources may fail to address the needs of IPs, further disadvantaging these already socially and environmentally vulnerable communities. While the Policy is well-intentioned, its implementation needs more significant support, some of which fall within the GCF's sphere of responsibilities and opportunities. Although the Policy is perceived as flexible enough to accommodate various national contexts, this flexibility has also led to multiple interpretations and ambiguities. These issues are not clearly addressed in the Policy's Operational Guidelines. The GCF lacks mechanisms for tracking and reporting IPs-related outcomes at the portfolio level, with similarly limited capacity at the

project level. This presents challenges to managing IPs' contributions and results. Furthermore, the evaluation finds that the GCF's contributions to IPs are currently limited to financial resources. There is no evidence to suggest that the GCF independently advances the welfare of IPs beyond the provision of funding. The added value of the GCF comes from the availability of resources in contexts where IPs can access its support.

The evaluation concludes in its review of the implementation of the IPs Policy that certain aspirations of the Policy, including those related to rights, recognition and resources, are not fully operationalized. This evaluation finds no indication that the GCF has contributed to a paradigm shift for IPs. Its contributions remain confined to providing financial resources and safeguarding rather than catalysing transformational change through policy change, depth of change, sustainable impact and knowledge-sharing, which are the signs of a transformational change.

A core issue is the challenge IPs face in directly accessing climate finance through the GCF. This evaluation finds that the GCF's business model is not directed to focus on supporting IPs, with its modalities, funding windows, and processes lacking the nuanced mechanisms and flexibility needed to cater specifically to IPs or provide them with direct benefits. Due to its passive approach to project origination and focus on countries and AEs, the GCF has not actively pursued a portfolio with IPs. Access to the GCF is already perceived to be a challenge regardless of the capacity of the recipient country or the AE. For IPs, this challenge is often compounded to the point of being insurmountable.

Confronting this challenge presents the GCF with a critical opportunity to adopt a more intentional and proactive approach to advancing climate action through and for IPs. Indeed, evidence shows that when IPs and Indigenous Peoples' Organizations (IPOs) are meaningfully consulted and purposefully integrated into climate activities, the results are overwhelmingly positive for climate outcomes.

The international narrative on IPs has matured since the GCF Board adopted the Policy in 2018. This change was evident in COP29's decision to elevate the voices of IPs, and the emphasis placed on IPs in the Global Biodiversity Framework adopted in 2022 under the Convention on Biological Diversity (Convention on Biological Diversity, 2022). While the evaluation acknowledges the significance of these global outcomes, a future review of the Policy and its accompanying Operational Guidelines would present an opportunity to more clearly define GCF's important role in supporting IPs in implementing climate action.

KEY RECOMMENDATIONS

This evaluation makes five key recommendations, from urgent, short-term actions to long-term strategies. The first three focus on reinforcing the GCF's "do-no-harm" approach to IPs. The latter two consider possible strategies the GCF can adopt to better benefit IPs.

Recommendation 1. In the short term, the GCF should continue to reinforce the IPs Policy and Operational Guidelines while calibrating its operational tools to fully implement the intended objectives of the Policy.

The evaluation found that the Policy is well regarded for many of its provisions. However, there is room for greater clarity and certainty. Further adjustments are necessary to fully integrate it into the GCF programme and operations if its intended objectives are to be fully implemented. The Board and the Secretariat should consider the following actions.

• Promote awareness among NDAs and AEs of the Policy's intent, including by leveraging the IPAG's legitimacy and expertise.

- Update the Operational Guidelines to include and address key areas such as benefit-sharing mechanisms, grievance redress integration, consultation standards, and the curation and integration of IPs' climate knowledge. Further, operationalize the inclusion of traditional knowledge in funded projects and implementation with specific guidelines and operational tools.
- Future IPs Policy updates should reflect the intent of emerging normative priorities, such as locally led adaptation, enhanced participatory governance, and the integration of traditional knowledge. The GCF should maintain its efforts to lead by example by aligning the Policy with the standards set by United Nations Declaration on the Rights of Indigenous Peoples and International Labour Organization Convention 169, supporting the self-determination rights of IPs in climate action. Additionally, the GCF should continue leveraging links with platforms like the Local Communities and Indigenous Peoples Platform to ensure alignment with evolving normative guidance.

Recommendation 2. In the short to medium term, the GCF Secretariat should establish mechanisms and provide resources, including technical and financial support, for the effective implementation of the IPs Policy, in line with its aspirations.

To ensure the Policy achieves its intended objectives, the GCF Board and the Secretariat should focus on enabling its effective implementation by providing clear pathways and support mechanisms. The following actions should be prioritized.

- Creating an enabling environment for IPs:
 - The GCF should acknowledge and support extra time, expertise, and funding needed to involve IPs in projects effectively.
 - The Secretariat should further integrate the Policy into GCF operational and strategic documents. When reviewing country ownership principles, consider the lessons from implementing the Policy in different national contexts. The GCF should consider (i) introducing nudges and incentives for AEs and NDAs to support the Policy's implementation, and (ii) establishing institutional mechanisms and provision of resources to encourage AEs to develop IPs-focused projects. These could include simplified processes, technical support, additional funding to strengthen compliance with the Policy when IPs are included, and support for applying traditional knowledge in climate actions.
 - The GCF should consider exploring opportunities to advance the narrative on IPs in contexts where the full intent of the Policy cannot be implemented due to preceding national legislation. The GCF can facilitate dialogues between IPs and NDAs, support the development of country programmes that embrace IPs, and seek guidance from IPAG and Local Communities and Indigenous Peoples Platform.
 - The Secretariat should consider providing greater flexibility and opportunities to intentionally stimulate the development of IPs-focused projects, actively fostering their growth rather than passively waiting for them to emerge. For instance, the Secretariat should explore the use of measures that may include, but are not limited to,
 - + Allocating resources to support FPIC processes that involve IPs.
 - + Offering concessional finance for activities involving IPs, particularly to incentivize private-sector AEs to programme projects with the IPs in a way that meets the aspirations of the Policy.

- + Allowing flexibility in linking Indigenous traditional knowledge with project origination and activities.
- Tailoring GCF's support modalities to better target IPs:
 - Leverage the PPF. Optimize and utilize the PPF to support addressing the needs of IPs at the initiation of project design. This would involve providing resources to reach IPs communities, ensuring meaningful IPs participation throughout the GCF project cycle, supporting FPIC-related activities and improving Indigenous Peoples Plans (IPPs) and Indigenous Peoples Planning Frameworks (IPPFs).
 - Maximize RPSP potential. Expand the RPSP to support the engagement of IPs in national climate investment planning and facilitate Indigenous-driven proposals. This would include ensuring purposeful engagement with IPs by supporting FPIC and conducting meaningful consultations with IPs throughout the GCF project cycle.
 - Harness Readiness Results Management Framework opportunities. Provide the Framework with the means to monitor the engagement and contribution of IPs. Further support the Policy's implementation by developing guidelines through readiness, including clear guidance for delivery partners and NDAs in effectively engaging with IPs.
- Improving monitoring in projects involving IPs:
 - Develop and implement specific indicators, including disaggregated data on IPs, to monitor benefits and results for IPs across the project portfolio.
 - Develop project-level indicators for AE-led evaluation and capture co-benefits to ensure accountability and measurement of project progress. Improve tagging and further refine the definitions of IPs used by the GCF.
 - Track changes in gender equality through GCF projects. Integrate gender-disaggregated data into IPs-relevant projects and track gender-specific outcomes, focusing on empowering Indigenous women and addressing their unique challenges and potentials.

Recommendation 3. The GCF should urgently address the limitations in its planned oversight of compliance, ensuring sufficient flexibility to adapt the Policy to a diversity of contexts and non-compliance risks.

Given its second-level due diligence role and compliance-based architecture, the GCF should address the burden of compliance and the risks of non-compliance. This evaluation recommends a non-exhaustive list of possible measures and operational recommendations to explore, as listed below.

- First, reinforce the oversight of adherence to the Policy at project approval and during implementation, as even a small risk of non-compliance with GCF policies can have serious consequences for already vulnerable IPs. The GCF Secretariat should support AEs in complying with the Policy's provisions and intended objectives. This support can include (i) enhancing IPs-relevant information in monitoring, reporting and evaluation tools such as annual performance reports and AE-led evaluations, (ii) strengthening IPO networks to support oversight and integrating information about IPs in the Integrated Results Management Framework and the Monitoring and Accountability Framework, and (iii) providing AEs with support and flexibility in delivering this information.
- Second, the GCF needs to build its capacity to monitor compliance. Building the capacity of the Secretariat by mainstreaming the Policy can play a key role in this effort. As the Secretariat launches operations under a new structure, ensuring the compliance function remains strong

from an IPs perspective is vital. For instance, initiatives such as staff training and sensitization and enhancing human resources for better engagement with IPs, AEs and NDAs should continue to be explored to sustain the meaningful involvement of IPs throughout the project cycle.

- Third, the IPAG's role in project review and monitoring can be strengthened, as it is currently limited. Achieving this requires clarifying and formalizing its institutional links with various GCF entities, such as the Board, different areas of the Secretariat, NDAs, AEs and other strategic partners. Additionally, its resourcing should align with any evolution in its increasing roles and responsibilities. The GCF should further actively engage with NDAs and AEs on IPs issues, build a cadre of IPs and IPOs able to engage with NDAs and AEs across countries, and ensure more prominent and vigilant monitoring of the Policy's components.
- Fourth, the Secretariat should enhance compliance mechanisms and monitoring tools at the operational level to ensure effective implementation of the Policy across GCF portfolio. This can be achieved by (i) establishing minimum standards and providing templates for IPPFs and IPPs, and (ii) revising section 4 of the annual performance reports to include a dedicated section on IPs. This section should be completed for projects implemented in IPs' territories. It should include updates on the progress of IPPs and guide AEs on how to complete it.
- Finally, the GCF should continue building and promoting grievance mechanisms at all levels, ensuring they are accessible to IPs communities while respecting their systems and institutions. Additionally, the GCF should consider the role of IPOs and civil society actors in supporting the monitoring of IP-related operations within GCF projects. The evaluation also highlights the need for an exit strategy for projects upon completion or suspension.

Recommendation 4. In the medium to long-term, the GCF must address fundamental systemic barriers within the business model that limit the extent to which IPs can access the GCF. The GCF should consider an IPs-specific window or programme.

The Policy states that the GCF may allocate funds to support IPs if required and if they are not adequately benefiting from GCF support. This evaluation recommends operationalizing these provisions and establishing a specific window for the GCF to consider a specific strategic and portfolio commitment towards the IPs. Such a window would include several elements at once:

- Strategic portfolio commitment. With this window, the evaluation recommends allocating a dedicated portion of the GCF resource envelope. The window's strategic focus should provide IPs access to GCF resources through institutional processes customized to meet their unique needs and respect their cultures.
- Customized business model. The window should leverage the social capital and intermediary role of trusted IPOs and relevant organizations engaging with IPs and IPAG to the extent possible. It should use the existing capacity of IPOs or other trusted partners with a proven track record, established trust and requisite experience in working with specific IPs communities. Further, the processes under the window should accommodate the opportunities and limitations of working with such partners.
- An IPs-oriented culture. The full exploration of the window should be underpinned by an institutional structure and organizational culture that regards IPs as rightful stewards and custodians of resources and territories. The window should include dedicated resources and time for project preparation with IPs. This could encompass allocated resources for FPIC throughout the project cycle, acknowledgement of traditional knowledge and practices, capacity-building, and covering additional financial costs associated with engaging IPs. It

should also account for the relatively small ticket size, longer time frames, greater flexibility and resources required, and a qualitatively suitable approach based on meaningful consultations throughout the project.

• Outcomes. This window would enable the GCF to move beyond one-off and project-level benefits towards an intentional paradigm shift for IPs. Providing a systemic and deliberate means to directing the benefits of GCF support to IPs, this window would align the GCF with other climate funds while creating opportunities for effective and sustainable pathways towards achieving a paradigm shift.

Recommendation 5. The GCF must further clarify its strategic position on IPs beyond seeking inputs before projects. As the GCF articulates its position/stance through ongoing restructuring and strategic decisions, providing clear direction on its approach to IPs is essential.

There are several areas where the GCF could clarify its approach, as listed below.

- The GCF's position on the balance between flexibility and prescription. Clarity regarding this balance is essential to reconcile the risk of noncompliance with GCF policies on the one hand and trust, flexibility, and project autonomy on the other. This should be clearly defined in guidelines and operational tools.
- The GCF's approach to IPs and whether it intends to remain a passive, second-level due diligence institution or actively support IPs. While the GCF explores increased orientation towards regions, it should clarify its position on the rights of IPs and strengthen IPs' institutions and their role within national discourses.
- The GCF's use of its high-profile. This evaluation recommends that the Fund use its prominent position in climate finance architecture to set the standards for good faith negotiations, engagement and empowerment of IPs in climate action project design and implementation.
- The GCF's enabling role. Given the Fund's increasingly specialized orientation towards the regions, the evaluation recommends the GCF explore its potential to create enabling environments for IPs to engage in climate action. More broadly, it should shift the GCF's organizational culture from a focus on compliance to a meaningful engagement with IPs.



www.ieu.greenclimatefund.org

