

# Assessing the robustness of Carbon Market Grievance Mechanisms and recommendations for the establishment of an Article 6.4 Grievance Mechanism

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## Abbreviations

<b>A6.4SB</b>	Article 6.4 Supervisory Body
<b>ACR</b>	American Carbon Registry
<b>CAR</b>	Climate Action Reserve
<b>CDM</b>	Clean Development Mechanism
<b>CDM EB</b>	Clean Development Mechanism Executive Board
<b>CER</b>	Certified Emission Reduction
<b>COP</b>	Conference of the parties
<b>DGM</b>	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities
<b>DOE</b>	Designated Operational Entity
<b>EIB</b>	European Investment Bank
<b>FPIC</b>	Free prior informed consent
<b>GCF</b>	Green Climate Fund
<b>GS</b>	Gold Standard
<b>NDC</b>	Nationally Determined Contribution
<b>NGO</b>	Non-governmental organization
<b>PoA</b>	Programme of Activities
<b>REDD+</b>	Reducing Emissions from Deforestation and Forest Degradation
<b>UNFCCC</b>	UN Framework Convention on Climate Change
<b>UNGPs</b>	United Nations Guiding Principles on Business and Human Rights
<b>VCM</b>	Voluntary Carbon Market
<b>VERRA</b>	Verra

## Key findings and recommendations

The decision on international carbon markets taken by COP26 in 2021 specifies that an independent grievance process shall be set up under the Article 6.4 mechanism. Given that the demand for carbon credits is likely to increase, the scale and geographical scope of activities will increase as well, which could trigger negative impacts on vulnerable communities. The UN Guiding Principles on Business and Human Rights specify universal criteria for the effectiveness of grievance mechanisms that include legitimacy, accessibility, predictability, equitability, transparency, rights compatibility, and being a source of continuous learning. It is critical that non-state operated grievance mechanisms lead to appropriate remedies that may include cessation of the activity, and that access to legal, state operated procedures remains possible. Compared to the latter, grievance mechanisms can operate much more quickly and at lower cost.

Under the Clean Development Mechanism (CDM) of the Kyoto Protocol which did not have a grievance mechanism in place, several projects were criticized for human rights abuses. The case of the Ugandan Bujagali hydropower plant, which is analyzed in detailed in [section 2.3.1](#), shows that affected communities used grievance mechanisms of international development finance institutions funding the project to achieve an improvement of their situation.

The first objective of this short study is to assess the effectiveness of carbon market grievance mechanisms, including the American Carbon Registry (ACR), the Climate Action Reserve (CAR), Verra, Gold Standard (GS) and the Global Carbon Council. In addition, we also look at the grievance mechanism applied under the Green Climate Fund (GCF) - the key international public climate finance mechanism under the UNFCCC - and the grievance mechanism of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) to identify how culturally appropriated measures are incorporated in grievance mechanisms. While most voluntary carbon market standards have grievance mechanisms in place (ACR, CAR, Verra, GS), most of them are opaque and do not properly describe their procedures. Moreover, Verra charges procedural costs that are only restituted if the complaint is decided favourably. This is a clear deterrent for complaints and should be abolished. Only the Gold Standard has detailed guidance on the operationalization of its grievance mechanism and publishes grievances raised, which has happened 6 times to date. The Gold Standard grievance mechanism is clearly the frontrunner among voluntary carbon market standards. However, it does not reach the level of the grievance mechanism operated by the GCF. The DGM provides relevant insights when it comes to culturally appropriate practices, including use of local languages and specific approaches for indigenous peoples.

The second aim of the study is to provide recommendations for the design of the Article 6.4 grievance mechanism. In this regard, our recommendations include ensuring a wide range of submission modes as well as eligibility of many different types of evidence. Full transparency regarding grievances submitted and their outcomes needs to be provided unless the complainant desires confidentiality. The steps and the timeframe of the procedure need to be clearly defined as well as the types of remedies that are principally available, and that need to include the possibility to overturn a prior decision of the Article 6.4 Supervisory Body. An independent team shall handle the grievance and conflict of interest needs to be meticulously avoided. The lessons from the grievance mechanism should be used to improve Article 6.4 rules.

## 1. Introduction

In the past 20 years, human rights have gained prominence in the international climate policy arena starting from a low base. In the 1990s, the key founding documents of international climate policy – the UN Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol did not make references to human rights. In the 2000s, many non-governmental organizations (NGOs), media and researchers criticized projects under the market mechanisms of the Kyoto Protocol, particularly the Clean Development Mechanism (CDM), for causing or contributing to an adverse human rights impact<sup>1</sup>.

For example, some energy efficiency CDM projects in the Indian iron and steel industry were accused of, inter alia, illegally occupying reserved forests, increasing the prevalence of respiratory and gastric diseases in the surrounding populations and dumping fly ash on open fields, agricultural land, and children's playgrounds (Lohmann 2006). The Barro Blanco hydropower project in Panama was accused of poor participation processes, resettlement of families without their consent and impacts on people's livelihoods due to the flooding caused by the dam's reservoir (Oberghassel et al. 2017). Similarly, the consultation and resettlement process of the Bujagali hydropower project in Uganda was criticized for inadequate compensations for resettled people (Oberghassel et al. 2017). These two cases are analyzed in detail in section 2 of this study. In an even more dramatic case, the "Aguan Biogas Recovery from palm oil mill effluent CDM project" in Honduras was associated with a land dispute between the palm oil mill owners and small farmers in which, sadly, more than 50 of the latter were killed<sup>2</sup> (Schade and Oberghassel 2014). In the Indian and Honduran cases, it should be noted that the actual CDM projects – the waste heat recovery equipment at the iron smelter and the biogas recovery equipment at the palm oil mill – were not directly linked to the human rights violation. The waste heat recovery would reduce the local pollution and thus reduce the disease load and amount of fly ash produced. The biogas recovery plant would not increase the amount of land used for oil palm plantations and taken away from small farmers.

Since the 2010s, progress in linking climate change mitigation activities and human rights has been made. The Cancun Agreement in 2010 was the first decision under the UNFCCC process to recognize that climate change-related actions need to fully respect human rights. In 2014, the UN Human Rights Council in its decision 26/27 called to "support national efforts for the realization of human rights affected by climate change-related impact" (OHCHR 2014a, p.3). In 2015, the Paris Agreement expanded on this in its preamble by calling states to "respect, promote and consider their respective obligations on human rights" when taking action to address climate change. This led to an increase of demands to ensure that human rights are fully respected by activities under international carbon markets, including Article 6 of the Paris Agreement (Eisen 2021). Article 6 is different from the Kyoto Mechanisms inasmuch it has created two forms of international carbon markets – the cooperative approaches under Article 6.2 where international oversight is absent, and the "Article 6.4 mechanism" which is overseen by an Article 6.4 Supervisory Body (A6.4SB).

COP26 in 2021 was tasked to decide the detailed rules on Article 6. In the run up to it several observers, including the UN High Commissioner for Human Rights and the former UN Special Rapporteur on Human Rights and Environment, advocated for Article 6 rules to i) guarantee access to information and opportunities for meaningful stakeholder engagement and public participation; ii) establishment of environmental and social safeguards for projects to reflect the "no harm principle"; iii) ensuring access

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<sup>1</sup> We are using the distinction put forward by OHCHR (2014): "human right abuse is used about adverse human rights impacts caused by non-state actors (...). The term violation is normally applied to adverse human rights impacts committed by the state."

<sup>2</sup> While not being targeted by the NGOs, CDM consultancy Perspectives who had supported development of the Aguan project's Project Design Document immediately stopped further engagement with the project when being alerted on these developments.

to remedy by requiring project-level grievance mechanisms. Specifically, they called for the creation of an independent grievance mechanism at the A6.4SB level (Eisen 2021, Knox 2016, CAN 2019, CLARA 2019)

COP26 was able to decide on Article 6 rules and these decisions, particularly the Article 6.4 decision, took up many of the demands listed above. They specified human rights protections by including references to local and subnational stakeholder consultations consistent with indigenous peoples' rights, application of robust environmental and social safeguards, and the need to have an independent grievance mechanism. Regarding this later point "stakeholders, activity participants and participating Parties may appeal decisions of the Supervisory Body or request that a grievance be addressed by an independent grievance process" (UNFCCC 2021).

This Article 6.4 decision is the starting point for this short study which assesses the effectiveness of existing carbon market-related grievance mechanisms. [Section 2.1](#) of the report describes the United Nations Guiding Principles on Business and Human Rights (UNGPs), a soft law document that collects discussions and reflections on the role of grievance mechanisms. Most importantly, the UNGPs contain a list of effectiveness criteria for grievance mechanisms that guided the assessment undertaken in this report. [Section 2.2](#) discusses the overall design of grievance mechanisms, while [section 2.3](#) presents examples of past carbon market grievances from the CDM era as well as the most common and recent grievances raised against voluntary carbon market (VCM) projects. Moreover, this section discusses how some of the grievances were addressed and reflects on the importance of the existence of grievance mechanism to prevent and provide immediate reaction.

[Section 3](#) analyzes the different grievance mechanisms applied to date in international carbon markets regarding their effectiveness. Given that not too many institutionalized carbon market grievance mechanisms actually exist, we also look at the grievance mechanism applied under the Green Climate Fund (GCF), the key international public climate finance mechanism under the UNFCCC. An adapted version of the UNGP criteria has been used to guide the analysis. Moreover, the grievance mechanism of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) – a project focusing exclusively on indigenous peoples, is analyzed to identify how culturally appropriated measures are incorporated in grievance mechanisms. Building on this analysis, a set of recommendations for the creation of an Article 6.4 grievance mechanism is proposed in the final section of the report.

It is likely that we will see increased demand for carbon credits, driven by the recent adoption of the Article 6 rulebook, private sector net-zero pledges and the recognition of many governments that reaching the targets of their nationally determined contributions (NDCs) will require the acquisition of emission credits from other countries. This will boost the generation of new activities, potentially at larger scales and with a broadened scope compared to the Kyoto mechanisms and the VCM. Thus, the risk increases that activities take place in territories where vulnerable communities live or have characteristics that generate negative impacts on local sustainable development. Therefore, having effective grievance mechanisms in place will gain more importance.

## 2. Background

### 2.1. Grievance mechanisms as per the Guiding Principles on Business and Human Rights<sup>3</sup>

In 2011, the UN Human Rights Council endorsed the “Guiding Principles on Business and Human Rights” (UNGPs). The UNGPs became the first framework to address the relationship between business actions and human rights. Although not a binding norm per se, the UNGPs have been endorsed by a wide range of stakeholder groups, including businesses, multilateral institutions such as the Green Climate Fund, civil society organizations, and international carbon market certification bodies like the Gold Standard.

The UNGPs define i) the duty of governments, ii) the responsibilities of businesses and iii) the rights victims have regarding accessing effective remedies through judicial or state and non-state-based grievance mechanisms (OHCHR 2011)<sup>4</sup>. In addition, the UNGPs also present seven interlinked criteria that all types of grievance mechanisms must fulfil in order for their remedies to be effective: legitimacy, accessibility, predictability, equitability, transparency, rights compatibility, and being a source of continuous learning.

Of particular relevance for this study, the UNGPs define and discuss the role of the non-state based, non-judicial grievance mechanisms - what we are referring in this study as “grievance mechanisms”. According to the principles, grievance mechanisms can be any procedure through which affected persons can bring a complaint against a company or collaborative initiative and seek remedy (OHCHR 2011). They can vary in their organization and possible outcomes. They can be i) operational-level mechanisms directed at individuals or communities that may be adversely impacted by a business enterprise and are administered by businesses, or ii) multiple stakeholder collaborative. The latter are generally governed by a code of conduct, set of principles and involve international certification of products or services. Examples are the Forest Stewardship Council, Rainforest Alliance, or Fairtrade (Doyle 2015, Zagelmeyer et al. 2018). This is the category where most of the carbon market certification standard grievance mechanisms and the Article 6.4 grievance mechanism will most likely fit, and therefore the focus of this analysis. Such grievance mechanisms are not linked to states or other legal jurisdictions, usually require the willingness of all actors involved to constructively engage and have outcomes that can be both binding and non-binding (Zagelmeyer et al. 2018; Häusler et al. 2017).

The UNGPs specify that the remedies grievance mechanisms can provide include apologies, restitution, financial and/or non-financial compensation, the cessation of the activity, guarantees of non-repetition, or other forms agreed by the parties (OHCHR 2011, 2014b, Lukas et al. 2016). Still, grievance mechanism should not preclude access to state remedy through their judicial remedies (court systems) and non-judicial mechanisms (e.g., ombudsman), as access to remedy is the central duty of the state. Furthermore, as emphasized by the UNGPs, complaints should be able to be lodged simultaneously to state and non-state mechanisms (OHCHR 2014b).

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<sup>3</sup> This section has been drafted on the basis of the principles themselves, and the official guidance to the principles that encompasses an interpretative guide and “frequently asked questions”.

<sup>4</sup> Access to remedy is one of the three pillars of the UNGPs, and it is the principle that underpins i) the need for States to have effective judicial, administrative, legislative mechanisms to react towards abuses that occur within their territory, as well as ii) the need to have grievance mechanisms run by non-state actors (OHCHR 2011). Examples of potential remedies provided by grievance mechanisms are described further below.



## 2.2. Why are grievance mechanisms needed?

As signaled earlier in the document, experts agree and have identified three core pillars for ensuring human rights to be protected, inter alia, within carbon market-related activities. Those are, participation, social and environmental safeguards and effective grievance procedures that lead to appropriate remedies (Eisen 2021). These three pillars are critical to ensure that Article 6 activities promote sustainable development, environmental integrity and deliver an overall mitigation of global emissions. Even in the case that participatory processes are followed, and that safeguards are applied, carbon market projects might generate negative impacts or also might fail on delivering the promised co-benefits (Eisen 2021). If the later happens, remedies should be provided to the affected people, and as mentioned above, the UNGPs stress that states should be the main responsible of ensuring victims' right to remedy.

Nevertheless, non-state grievance mechanisms can provide rapid and less costly remedies to low-level complaints or concerns. Very importantly, these mechanisms can also operate as early warning systems to avoid the escalation of concerns into more serious disputes and human right abuses by becoming a communication channel between the responsible entities and individuals or communities (Doyle 2015; OHCHR 2014). As it will be shown in the subsequent section, the lack of grievance mechanisms at various levels -project and CDM Executive Board level- during the CDM era, might have contributed to some of the abuses and violations of human rights that occurred during that time. Moreover, as section two of this study will explain, ineffective grievance mechanisms under the current voluntary carbon market standards might also drive dissatisfaction of people in areas where carbon market projects take place<sup>5</sup>. As indicated again by Eisen (2021), having adequate grievance mechanisms in place as well as participatory processes, i.e., a real free prior informed consent (FPIC) process, leads to significant long-term community engagement and support for projects, minimizes risks, and ensures the permanence of emission reductions.

In addition, grievance mechanisms might also serve as an avenue to victims in case judicial systems within states are weak or are perceived as unfair and/or biased by the victims (Zagelmeyer et al. 2018, UNGP 2011), although this might be too optimistic. Children and youth, persons with disabilities and Indigenous Peoples face discrimination on multiple grounds. The former are frequently subject to institutional discrimination, including exclusion from effective access to state-based judicial systems and overrepresentation in the incarcerated population (HRC 2014, Doyle 2015)<sup>6</sup>. In these cases, where state-based grievance mechanisms are not able to provide remedy, grievance mechanisms might have the potential to overcome the access gap to remedies but cannot be a silver bullet to overcome state failure (Doyle 2015).

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<sup>5</sup> We understand that many other factors might have contributed to the impacts on human rights, and the statement made should not be understood as non-state grievance mechanisms to be the silver bullet to solve grievances and/or minimize abuses and/or human rights violations.

<sup>6</sup> In this particular situation, corporate human rights due diligences can play an important role - according to the UNGP, corporations need to ensure their actions are in compliance with the rights and perspectives of vulnerable individuals and groups and international standards in case the governmental permissions and procedures are inadequate.

## 2.3. Grievance mechanisms and carbon markets

### 2.3.1. The Clean Development Mechanism (CDM)

The Kyoto Protocol included three international market mechanisms, of which the CDM became the most relevant one, with close to 8000 projects registered issuing over 2.3 billion emission credits to date. Still, through its more than 15 years of existence, the CDM did not have a grievance mechanism in place. Overall, the CDM regulations did not mention human rights and only included limited provisions regarding stakeholder consultation and contribution of the project to sustainable development, despite some attempts of the CDM Executive Board (CDM EB) to remedy this situation in the 2010's (Oberghassel et al. 2017). For example, negotiations around the establishment of an appeals procedure were held through several conferences of the parties to the UNFCCC (COPs), but consensus could never be achieved (Oberghassel et al. 2017). Reasons for this failure included governments invoking their sovereignty, insisting that sustainable development is subject to each country's interpretation and that they should not be subject to international rules in this regard (Yamin and Depledge 2004, Mayrhofer 2016).

Despite this situation, in 2015 the CDM EB decided that the independent verifier, the designated operational entity (DOE), would open a 14-day commenting period after the monitoring report was released and before the issuance of credits, to provide an opportunity for stakeholders to comment on any potential negative impact a CDM project activity or programme of activities (PoA) might have triggered (UNFCCC 2015). No public discussion on such comments has taken place and official reports by DOEs or the CDM regulators do not address the issue, so it seems that this provision has not really been used, even not for contested projects like Bujagali hydropower (see discussion below) where four monitoring reports have been released since 2015. In addition, the CDM EB agreed to forward CDM-related human rights concerns to UN human rights bodies and within the host government, although we could not find relevant evidence this actually took place.

Against this background, it is important to note that several environmental and social problems that occurred during the CDM times were well-documented and publicized. Environmental-related concerns included lack of additionality mainly in large infrastructure projects, inflated baselines, and challenges for ensuring permanence, mainly in afforestation and reforestation projects. On the other hand, social problems ranged from lack of or inefficient stakeholder participation and engagement towards more serious human right impacts, such as displacement of communities. The following two case studies exemplify some of the negative human rights impacts CDM projects had and the consequences of the non-existence of a CDM grievance mechanism, and how in some cases grievance mechanisms of development finance institutions helped to buffer some of the impacts.

#### **Barro Blanco Dam project in Panama**

The hydroelectric power plant project Barro Blanco was constructed by the Panamanian company GENISA and it was financed by large European development banks<sup>7</sup> and the Central American Bank for Economic Integration. In June 2011, the Barro Blanco Project was registered by the CDM EB. The project was located on the Tabasará River, near the Ngäbe-Bugle comarca, an indigenous territory (Oberghassel et al. 2017).

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<sup>7</sup> Deutsche Investitions und Entwicklungsgesellschaft GmbH, and Netherlands Development Finance Company.

From the outset, the project attracted criticism and concerns, specially from indigenous communities. Communities complained, among other aspects, about poor participation processes during the development of the Environmental Impact Assessment and the CDM validation process, and lack of a resettlement plan (Obergassel et al. 2017). The project ended up affecting livelihoods due to the flooding caused by the dam's reservoir, as well as relocation of Ngäbe families without their consent (CIEL 2016, Mongabay 2018).

Throughout the years, indigenous peoples affected by the project sought for remedies through multiple routes - the Panama domestic legal system, the CDM regulatory structure, and grievance mechanisms of the European banks (CIEL 2016, Obergassel et al. 2017). Domestic legal battles went on for several years, with the courts ruling in most cases against the communities' claims (Mongabay 2017). In 2015, the banks' grievance mechanisms reports indicated that environmental (biodiversity and ecosystem impacts) and social impacts and impediments to the indigenous peoples' rights were not fully assessed at the time of the project approval (Obergassel et al. 2017). In 2016, Panama withdrew the Barro Blanco project from the CDM, becoming the first host country to remove a project due to human rights concerns (CIEL 2016). We would like to stress that the CDM deregistration process was triggered by a request from the government of Panama and was not initiated by the CDM EB, despite multiple requests by NGOs (Mongabay 2017). However, the CDM deregistration was a purely symbolic win because it did not stop the operation of the plant starting in 2017 nor provided a specific remedy to the communities (Mongabay 2017, CIEL 2016).

### **Bujagali hydropower project in Uganda**

The Bujagali Hydropower Plant, located in the Victoria Nile River in Uganda, started in 2005<sup>8</sup> and its construction was finalized in late 2012. It was financed by a portfolio of lenders<sup>9</sup>. It is now fully operational, being one of the largest hydropower plants in Africa (Mayrhofer 2016). The project was registered as a CDM project in 2011 and it is still registered and has issued a total of 7.51 million emission credits (CERs) (UNEP CCC 2022).

Concerns related to the project included failure to fulfill the additionality criterion, negative environmental impacts and unsatisfactory compensation of the displaced and affected communities (IR 2010, NAPE et al., 2012, Mayrhofer 2016). Regarding the latter point, several organizations indicated that the resettlement and compensation of the communities - that occurred mainly in the first phase of the project - had been inadequate, including poor quality of the houses, infrastructure, and land, leading to a longstanding dissatisfaction in the communities (Mayrhofer 2016).

In this case, the existence of lenders with grievance mechanisms in place allowed communities, through NGOs, to file complaints. The African Development Bank's Compliance Review and Mediation Unit and the World Bank's Inspection Panel both concluded, inter alia, that the project had not followed their respective safeguards policies, including safeguards on involuntary resettlement, gender and poverty reduction, and environmental related policies (Obergassel et al. 2017). In response, an action plan was developed by the project management to address the shortcomings of the project that included among other aspects, sharing of project benefits with the affected communities (Obergassel et al. 2017). Still, there is evidence that dissatisfaction among some locals persisted (Mayrhofer 2016). Nevertheless, interviews held with locals in 2015 showed they considered the role of lenders' grievance

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<sup>8</sup> We would like to note that the second phase started in 2005. The first phase of the project ran from 1999 to 2003, when the Government of Uganda commissioned US-based AES Nile Power to build and run the project. However, this company withdrew due to a number of reasons (Mayrhofer 2016).

<sup>9</sup> Lenders included: IFC, European Investment Bank, African Development Bank, German DEG, KfW, Dutch FMO, Absa Capital, Standard Chartered Bank (Mayrhofer 2016)

mechanisms as pivotal in ensuring their complaints were heard and their situation was improved (Oberghassel et al. 2017). This was of particular importance, as there were also complaints regarding a potential lack of impartiality of the Ugandan Courts, due a particular interest of the Ugandan state to promote the project (Mayrhofer 2016).

### 2.3.2. The Voluntary Carbon Market

After the fall of CER prices and the ensuing contraction of the CDM market in 2013, privately operated voluntary carbon market (VCM) standards, namely Verra, Gold Standard (GS), American Carbon Registry (ACR) and Climate Action Reserve (CAR) have dominated the international carbon market in recent years. In contrast to the CDM, many of these standards have introduced social and environmental safeguards and related grievance mechanisms. As it will be discussed in the next section, the VCM grievance mechanisms vary in their level of detail and effectiveness.

It is important to note that the lack of public grievance registries of the VCM standards – only Gold Standard has one – prevents to get a comprehensive understanding of the type of grievances that exist regarding carbon market projects, and to understand how many grievances have been filed, or the type and relevance of remedies provided. This gap can be partially filled through external sources. In the case of avoided deforestation (REDD+) projects, the requirement of having Safeguards Information Systems for countries that engage in national REDD+ programmes allow insights into the negative impacts some of the projects generate. Ombudsmen's and journalists' reports also contribute to map grievances associated with VCM projects.

The most common social grievances associated to international carbon market projects include lack of or ineffective stakeholder consultation and/or implementation of free prior informed consent (FPIC) processes (Government of Colombia 2020, Eisen 2021), concerns and dissatisfaction regarding distribution of benefits (Eisen 2021), failure of the implementation of safeguards (Mongabay 2022), eviction and poor resettlement planning processes (Eisen 2021), agreements with communities' leaders that do not fully represent the view of the majority of community members (Mongabay 2022), creating divisions and confrontation within groups inside communities (Mongabay 2022). Environment-related concerns include promotion of monoculture plantations that affect biodiversity, water table disruption, pollution from herbicides and pesticides, risk of non-permanence, especially in forestry projects, overestimation of baselines that could undermine limiting temperature rise to 1.5°C (Eisen 2021, Source Material 2023), REDD+ project baselines not aligned with National Forest Reference Levels (Mongabay 2022) and risks of leakage.

## 3. Assessment of effectiveness of grievance mechanisms

### 3.1. Methodology

In this section we look into the effectiveness of existing carbon market grievance mechanisms assessing the four largest private operated VCM standards (Verra, GS, ACR, CAR), as well as the Global Carbon Council. We compare these with other grievance mechanisms that provide relevant insights. The GCF as the key financial mechanism of the UNFCCC has developed very specific provisions for its grievance mechanism. The grievance mechanism of a programme aimed at facilitating effective participation of indigenous peoples and local communities in the design and implementation of activities to reduce deforestation, the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM), provides interesting lessons regarding culturally appropriate design elements of a grievance mechanism.

To assess the grievance mechanisms' effectiveness, we used the criteria put forward by the UNGPs as a starting point given their high degree of international legitimacy. Some of these criteria were merged. Furthermore, the criteria adequacy, independence, and safeguards were included as per suggestion of Carbon Market Watch. Specific indicators were developed for each criterion to have a more standardized metric for the effectiveness assessment.

Table 1 below shows the criteria and indicators applied by us to assess the different grievance mechanisms. Annex 1 presents the detailed review of the different standards.

**Table 1 Criteria and indicators**

Criteria	Sub criteria	Indicators
Accessibility	Accessible	Procedural costs Submission channels Focal points publicly available Language options Easiness to access mechanism and related information Culturally appropriate mechanism Means of evidence accepted
	Equitable	Processes in place to raise awareness about the mechanism Support provided to overcome barriers
Transparency	Transparent	Grievance repository/registry available Transparency on staff responsible to address the grievances Examples of potential grievances provided Process for rejection of grievances regulated Options to follow-up complaints are publicly available
Predictability	Predictable	Stepwise description on how grievances will be addressed Time frame for each step specified Notification of outcomes Regular updates to complaints provided Procedures to monitor/follow-up implementation of corrective actions
Independence	Independence	In-house independent team/representative appointed Independent external reviewer option Appeal process regulated Regulations in place to avoid conflict of interests Mechanism adequately resourced
Adequacy	Adequacy	Impact of the outcome on project implementation/issuance of credits Remedies include monetary compensation Remedies address issues related to indigenous peoples' territory/protection of their land/customs Relevant senior authorities involved in the process Time-adequacy of submissions Binding character of remedies
Safeguards	Safeguards	Confidentiality Option of anonymous complaints All parties are given a fair say Retaliation safeguards in place

Criteria	Sub criteria	Indicators
	Rights-compatible	Respects or aligns with state-base mechanisms Interlinkages with other non-state grievance mechanisms regulated
	Source of continuous learning	Improvement of regulation based on past experiences

The effectiveness analysis has been conducted by reviewing the grievance mechanism guidance of each corresponding institution and their dedicated website complemented by a review of academic research and NGO publications. The latter however proved to be few and not very specific. We would like to stress that we have not assessed the effectiveness of the mechanisms on the ground. We now continue to the assessment of the different grievance mechanisms.

### 3.2. Level 1: Carbon market standards with no grievance mechanism in place: Global Carbon Council

The Global Carbon Council (GCC) does not have a grievance mechanism in place. In a communication to the authors of this study, GCC indicated that a grievance procedure development is underway and that it is part of GCC plan of 2023 (GCC 2023). This is clearly insufficient.

### 3.3. Level 2: Carbon market standards with grievance mechanisms in place, although low level of detail provided, where a significant improvement is required: Verra, Climate Action Reserve (CAR), American Carbon Registry (ACR)

#### Procedural aspects analysis

While grievance mechanism procedures formally exist, their processes are not described in detail. Moreover, none of these standards have properly institutionalized the process (in the eyes of potential complainant), as none of them have a visual, direct access point to a grievance mechanism on their webpage nor is information about their mechanisms easy to find on the web.

Verra's grievance mechanism is described in its two page "Verra complaints and appeals policy" (Verra 2019). According to it, enquires can be submitted at any time. Eligible complaints include those regarding decisions made by Verra, on how the programme operates, and overall, any claim regarding any potential unfair, inadvertent, or unintentional adverse effect the program might have generated (Verra 2019). Potential types of remedies have not been specified, but the outcome of a complaint can lead to the repeal of a decision made by Verra. Actors entitled to submit claims include project proponents, assessors, methodology developers and any other interested stakeholders. Submissions can be done at any time. In addition, the policy specifies that complaints about project proponents, partners, or entities that provide services under the Verra programme shall be pursued with the respective entity.

The ACR grievance mechanism is named "Complaints and Appeals procedure" and its procedure is currently regulated in the Chapter 11 of the ACR Standard version 7.0 (ACR 2020). It accepts grievances related to a decision made by ACR representatives or the application of the ACR

programme requirements. Grievances can be submitted by project proponents or ACR stakeholders. Decisions taken are communicated to the complainant via email.

The CAR grievance mechanism named “Feedback and Grievance Process” is laid out in its Reserve Offset Program Manual (CAR 2021). It accepts feedback or inquiries (positive or negative), comments related to the programme, and grievances related to potential over-issuance, ownership of GHG emission reductions, potential negative and social impacts related to a project. Specific remedy action will depend on the nature of the grievance but in case of over-issuance of credits, cancellation of credits, withholding of issuance, and purchase and cancellation of credits from third parties at the project account holder’s expense, can be made accordingly. Any stakeholder is allowed to submit a claim.

## **Effectiveness assessment**

### **Accessibility**

The level of accessibility of the grievance mechanism of all three standards is very low. Information about the mechanism is not easy to find, is exclusively in English and no available information beyond what is included in the policies exist, which is not presented in user-friendly manner. None of the standards offer a direct access point to a grievance mechanism, and Verra and ACR only allow internet submissions (Verra 2019, CAR 2021, ACR 2020).

In the particular case of Verra, all expenses, internal and external incurred by them in handling complaints (and appeals) must be paid by the entity filing the complaint. Only in the cases the results are favourable for affected, expenses will be returned (Verra 2019). It may be that this approach is intended as deterrent against “rogue complaints”, i.e., complaints without a valid reason brought by individuals or entities that generally oppose market mechanisms and want to generate an operational and financial burden for the voluntary carbon market standard. This is a practice we do not recommend being pursued at all, as it deters potential aggravated people to seek for remedy.

### **Transparency**

None of the three standards have a grievances repository available. This severely limits the transparency regarding the type of grievances received, their number and the type of remedies provided. Some of these standards have been severely criticized by stakeholders including the media, academia, NGOs, and local communities throughout the years, and publication of grievances in a centralized registry allows stakeholders to understand how grievances have been addressed, and standards to learn from their experience.

### **Predictability**

The three standards describe the process to address grievances. While Verra and ACR indicate more clearly the internal steps to be followed, CAR only provides a general description. None of the three standards provide specific time frames for completion of the procedure. Likewise, none of the standards’ documentation indicates that complainants are regularly updated about the status of their grievance.

## Independence

Verra and ACR both specify that an appropriate person to handle the complaint will be appointed. However, there is no further description on how this is managed within the standard nor how the level of independence is maintained (Verra 2019, ACR 2020). ACR specifies that the ACR representative appointed should not have been involved in the issue (ACR 2020). CAR does not regulate this aspect (CAR 2021). Verra can also involve external experts as required.

Verra and ACR regulate the right to appeal of complainants when the grievance has not been resolved up to the satisfaction of the complainant. In the case of Verra, the appeal is addressed by Verra CEO and the Board (Verra 2019). In the case of ACR, the appeal is also managed by senior staff members, that include ACR Senior Management, Winrock Senior Director and member of Winrock Board of Directors (ACR 2020). CAR does not regulate the right to appeal.

## Adequacy

For the three standards, specific remedy action will depend on the nature of the grievances, therefore detailed information on the potential remedies is not provided. Still, Verra indicates that an earlier decision can be repealed (Verra 2019), and CAR regulates corrective actions in the case of over-issuance. In this case, CAR may cancel credits, withhold the issuance and/or purchase credits from third parties at the project account holder's expense and cancel them (CAR 2021).

Regarding time-adequacy of the submissions, in all the three cases the texts read as grievances can be submitted at any time. On a separate note, the three standards involve relevant senior authorities in the process (Verra 2019, ACR 2020, CAR 2021).

## Safeguards

In the case of Verra and ACR, both explicitly mention that those who file grievances are given the option to do this confidentially. CAR does not regulate this. Likewise, CAR has not specified whether anonymous complaints are allowed and in the case of CAR and Verra, both require contact details to be provided, implying that anonymous complaints are not accepted. Moreover, none of the three standards regulate in their grievance mechanism procedures how all the parties could be given a fair say nor how to avoid retaliation.

References on how the mechanism respect or consider domestic regulation from countries are vague or non-existent in the three standards. Only CAR indicates that in the case of violation of domestic regulations this will be handled by relevant government agencies (CAR 2021).



### 3.4. Level 3: Entities with grievance mechanisms regulated with a good level of detail: Gold Standard, Green Climate Fund

#### 3.4.1. Gold Standard

##### Procedural aspects analysis

GS has detailed guidance on the operationalization of its grievance mechanism “Gold Standard Grievance Procedure” that has undergone several update processes already and has been drafted considering the UNGPs (GS 2020).

Regarding the procedural aspect of the GS’s grievance mechanism, any stakeholder is entitled to submit a complaint at any time. Types of grievances accepted relate to Gold Standard policies, procedures (standard setting activities) or personnel, substantive complaints regarding rules, requirement and content of the standard documents, as well as the performance of SustainCERT<sup>10</sup>, GS validation and verification bodies and the Oversight Body (GS 2020). The mechanism does not accept grievances related with non-compliance of standard requirements such as stakeholder consultations and grievance mechanisms, sustainable development impacts, safeguards assessments; and certification decisions including GHG emission reductions monitoring and calculation approaches. In these cases, grievances need to be submitted first to the SustainCERT grievance procedure<sup>11</sup> and then the GS mechanism acts as an appeal process (GS 2020).

Types of remedies to be provided by GS are not specified, but the mechanism provides ad-hoc answers to the specific grievances, with the option to also deregister the projects. As shown in the public registry of GS, this has only happened once in March 2020, when an A/R project in Montreal Metropolitan Area was deregistered due to a long-standing nonconformity status (GS 2022).

##### Effectiveness assessment

##### Accessibility

Of all the carbon markets standards assessed in this study, GS is the only one that has a dedicated grievance mechanism website, and a detailed guidance explaining the procedure to be followed for effective and timely resolutions to grievances (GS 2020). It only allows internet submissions of grievances through a given email, and allows means of evidence such as correspondence, letters, research studies and letters of support from other stakeholders (GS 2020). English is the language suggested for grievance submissions, but the possibility exists to translate the investigations plans and resolutions of the grievances to other languages upon request.

In terms of equitability, the mechanism is not directly showing up on the highest levels of the GS website, but a simple google search with key words “GS grievance mechanism” brings up the relevant

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<sup>10</sup> SustainCERT was founded in 2018 by the Gold Standard Foundation. It is a carbon impact verification organization and the official certification body for Gold Standard for the Global Goals.

<sup>11</sup> The SustainCERT procedure differentiates between complaints and grievances. Complaints are dissatisfactions about SustainCERT performance as certification body (e.g., inconsistent, or inaccurate reviews) and any other GS- Validation and Verification body’s performance (e.g., inaccurate opinions). Grievances are considered as a type of complaint about non-compliance with GS rules, whether it is the result of SustainCERT’s decision marking or not (e.g., failures in undertaken stakeholder consultation). An email is provided to submit complaints and they are managed by the Compliance Director (SustainCERT 2019).

guidance and the dedicated website. It could be better advertised, e.g., along the lines of the GCF approach described below.

## Transparency

In terms of transparency, the GS grievance procedure specifies in detail the process to be undertaken. In addition, upon reception of a grievance, GS is required to develop an investigation plan, determining the scope of investigation, stakeholders to be queried, and timeline for resolution (GS 2020). Moreover, the GS Secretariat is to appoint a grievance investigation team and it may appoint a third-party reviewer to conduct the investigation. For example, in 2015, Climate Focus was appointed as independent expert consultant in the Kikonda tree plantation (GS 2015).

Very importantly, the GS grievance mechanism is the only assessed VCM mechanism that has a publicly available grievance repository (GS 2022). The registry provides access to all the grievances filed (in total 6 between 2015 and 2020) and allows anyone to read when the date of submission was, by whom it was submitted, the description of the grievance and its current status. Moreover, all relevant documents are uploaded (GS 2022).

Transparency regarding rejection of grievances is also provided. If a grievance is found ineligible, GS will provide an explanation and recommendation on how to address the grievances correctly if possible (GS 2020).

## Predictability

In terms of predictability, the GS mechanism guidance and the webpage, provide a stepwise description (10 steps) and time frame for each step in a very clear and reader-friendly manner, by using an infographic as a supportive material (GS 2020, GS 2022). Regular updates on the status of the grievances are communicated to the complainant, for example, in case the investigation deadlines need to be extended (GS 2020).

## Independence

As mentioned above, the GS guidance requires an in-house independent team to be appointed for the management of grievances, and an external reviewer can be appointed when needed. Concerning conflict of interest, it is required for individuals involved in the investigation or decision-making process to declare any potential conflict and when necessary, disqualify themselves accordingly. Importantly, the guidance also regulates the right to appeal the outcome of an investigation (GS 2020).

## Adequacy

According to the procedures, the GS Secretariat is involved from the outset and the Board is also notified, ensuring in this regard the involvement of relevant levels within the organization. In addition, whenever a decision is made GS specifies the follow up actions and corrective measures to be undertaken (GS 2020).

One of the most innovative processes regulated in the guidance is that carbon projects affected by potential grievances are flagged on the GS webpage to showcase an investigation is underway. In this regard, stakeholders and or potential credit buyers are aware that the project is subject to grievances. However, it is noted that the flag does not necessarily express accuracy of efficacy of the grievance or outcome, nor necessarily assume that any rectification will be required (GS 2020).

## Safeguards

As per the safeguards the mechanism has in place, in terms of confidentiality, GS encourages the signing of non-disclosure agreements. Anonymous complaints are accepted but not encouraged. Reprisals against complainants or appellants are prohibited and not tolerated - although the guidance does not specify how this will be enforced.

The guidance also specifies that it aims for improvements based on past experiences since comments, complaints and appeals are analyzed for patterns and similar causes to facilitate improvement and corrections.

Finally, in terms of interlinkages with national systems, and respect to domestic regulation of the countries, the GS grievance mechanism guidance indicates that requests related to the laws, policies, and regulations of the host country will not be considered, unless they relate directly to the entity's obligation to comply with GS procedures.

### 3.4.2. Green Climate Fund

#### **Procedural Aspects analysis**

The Green Climate Fund (GCF) grievance mechanism is named "Independent Redress Mechanism (IRM)". Its operationalization is regulated by a number of policies and procedures, that include the 2017 IRM Terms of Reference, 2019 Procedures and Guidelines of the IRM, Procedures on Retaliation, and a gender strategy note (IRM 2020). It accepts grievances related to adverse impacts of a GCF funded project or programme and requests for reconsideration of proposals denied by the GCF board (IRM 2021). Grievances can be submitted by a person, group of persons, community or complainant's government/representative affected or potentially affected by GCF project. Means of evidence accepted include media reports, photographs and videos. In addition, IRM can also decide to initiate proceedings by its own. Remedies to be provided depend on the type of grievance.

#### **Effectiveness assessment**

##### **Accessibility**

GCF grievance mechanism is visible, with a dedicated website that provides easy-to-digest information on the mechanism, visible point-access to file a grievance, and access to resources, news and multimedia for users to increase understanding on the mechanism (IRM 2020). Moreover, IRM policies require it to take a proactive approach to raise awareness and provide information about the IRM in a gender responsive and culturally appropriate manner to its stakeholders, including potential affected people and civil society organizations. This is done through, for example, meetings and an active sharing of information and publications (IRM 2021). It has a brochure available in 14 languages explaining how to file a complaint with the IRM (IRM 2020).

No formal requirements exist for filing a grievance, grievances can be submitted through any means (e.g., mail, email, voice or video or calling a toll-free hotline) and any language. When a language is other than English, IRM translates it to English. Moreover, all IRM reports related to the grievance are translated into the local language of the complainant (IRM 2021). The IRM also has in place the following measures to promote inclusiveness of most vulnerable groups and countries: hold meetings at the place of complainant, any person prior filing a grievance can contact the IRM on how to do it, costs of ensuring meaningful stakeholder participation shall be covered by IRM, and developing countries can be reimbursed on the cost of filing a request upon decision of the Board (IRM 2021).

## Transparency

The IRM website contains a case register. Any user can see a summary of the case, when it was submitted, the case status, the complainants, the nature of harm raised and relevant documentation (IRM 2020). This allows complaints to be able to monitor the status of its complaints. Moreover, the website also showcases news on the latest developments on addressing grievances, and it also has a repository of past newsletters, stakeholder surveys, and annual reports. The website also provides full disclosure on current IRM staff members, and past staff members (IRM 2020).

## Predictability

The guidelines and the dedicated website of the grievance mechanism provide stepwise description on how a grievance will be addressed, and the time frame for each step is specified. IRM guidelines also regulate extensions of time limits. They shall be made in writing with reasons and noted on the register as well as communicated to all relevant parties. Regular updates on the status of the grievances are communicated to the complainants (IRM 2021).

## Independence

IRM's team is independent from the GCF staff and the Head of the IRM reports directly to the Board. When working towards addressing a remedy, they work in conjunction and/or have access to GCF staff, consultant and records. The Head of the IRM is also entitled to seek external legal advice on a grievance when needed. Complainants have no right to appeal the final compliance report submitted by the IRM to the Board (IRM 2021).

## Adequacy

In addition to the IRM team involved in the process, the Executive Director of the GCF Secretariat and Board are also involved in different stages of the process, ensuring higher authorities to be aware of complaints related to GCF projects. Regarding, time-adequacy, submissions of grievances can be made at any time, although limited to 2 years after date of the problem or 2 years after the end of project (IRM 2021).

The guidelines do not specify in detail the types of remedies to be provided. However, they regulate two types of approaches to address complaints. The problem-solving approach is a process that does not seek to determine culpability but rather it focuses on assisting the parties in finding an effective solution to the concerns raised by for example, using consultative dialogue or mediation by a third party. Its focus is on addressing the concerns to, first, satisfy the needs of the complainant, but then also the interest of the other parties involved. The problem-solving approach is a voluntary process that only takes place if all parties involved in the process agree to pursue it. The alternative process to be followed is the compliance review (IRM 2021). Under this process, the IRM focuses on identifying whether a project has complied or not with GCF policies, and has therefore caused negative impacts, by undertaking a compliance investigation. A potential outcome of the process can be the development of a remedial action plan where steps to be undertaken for compliance with the GCF policies are set out (IRM 2021). **Safeguards**

The IRM guidelines indicate that anonymous complaints are not allowed. However, confidentiality is provided upon request. Also, IRM guidelines regulate the importance of having retaliation safeguard provisions. According to the guidelines, IRM does not accept any kind of retaliation and it shall minimize the risk of retaliation when implementing its functions, as well as take all necessary steps to protect the complainant. Moreover, IRM has approved a separate detailed document further operationalizing the

retaliation safeguards. This document, for example, recognizes that not only complainants might be subject to retaliation, but also mediators, interpreters and other technical experts, that IRM has limits when aiming to protect witnesses and whistleblowers, and also outlines prevention and mitigation measures to be taken, for example undertaken a risk assessment, ensure confidentiality, and acting carefully when discussing on the phone and face to face meetings (IRM 2021b)

On a different topic, the guidelines also regulate the cooperation between the IRM and other grievance mechanisms from accredited entities, for example by fleshing out the different cases that trigger the use of one mechanism or another (IRM 2021).

Finally, and importantly, the IRM guidelines also regulate how they aim for improvements based on past experiences. The guidelines demand the IRM to suggest to the Board options for improvement of the guidelines based on lessons learned and insights gained through the management of the different cases and from good international practices (IRM 2021).

### **3.5. Other mechanisms with insights on how to develop a culturally appropriated mechanisms: Dedicated Grant Mechanism for Indigenous Peoples and Local Communities**

The Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) is a program aimed at facilitating effective participation of Indigenous Peoples and Local Communities in the design and implementation of activities to reduce deforestation. Conservation International is the global executing agency and it developed a grievance mechanism to address potential grievances that might exist regarding the implementation of the project (DGM 2020b). Although this grievance mechanism fits in the category of an operational grievance mechanism (see section 2.2), we consider it relevant due to do the insights it can provide regarding creating a mechanism that is culturally appropriate.

#### **3.5.1. Culturally appropriate practices:**

Every country where the project is being implemented has developed its own grievance mechanism, adapting it to the specific cultural needs of the country, and taking into account customary decision making and conflict resolution procedures from country's indigenous peoples' groups. For example, in Burkina Faso, Democratic Republic of the Congo and Peru, Indigenous Peoples groups have been engaged to manage community grievances in coordination with the DGM authorities (Itad 2019). Similarly, in Côte d'Ivoire, grievances are first lodged at the village level for them to immediately be handled at that level. Based on the outcome, grievances can be scale from the village to the to the national level through the deconcentrated/decentralized mechanisms of the State (DGM 2022). Regarding accessibility, usually, information on the grievance mechanisms is available in three other languages besides English (Spanish, French and Portuguese) (DGM 2020). For example, the Guatemala grievance mechanism webpage includes information on the local indigenous language of the country, as well as pictures and images of indigenous groups of that specific country (DGM Guatemala 2023). Likewise, the Mexican website of the DGM includes references to "Ejidos" which is how certain indigenous groups are named in Mexico (DGM Mexico n.d.). In the case of the Mozambique DGM grievance mechanism, outreach and information sharing of the mechanism is being made, inter alia, through a graphic comic books and radio "novellas", providing in this regard, information in an easy to digest fashion (DGM Mozambique 2020, DGM Mozambique nd).

### 3.5.1. Summary of best practices

The following table 2 provides a summary of best practices that can inform the design of the A6.4 grievance mechanism.

Criteria	Ways to satisfy the criterion
<b>Accessibility</b>	Access point on the home page ( <a href="#">GS</a> , <a href="#">IRM</a> ); dedicated website for the grievance mechanism ( <a href="#">GS</a> , <a href="#">IRM</a> ); submissions of grievances at any time ( <a href="#">Verra</a> , <a href="#">CAR</a> , <a href="#">ACR</a> , <a href="#">GS</a> ) and in any language ( <a href="#">IRM</a> ); wide range of options and no formal requirements for grievance submissions (online complaints form, mail, Whatsapp, email, voice or video recording, or by calling a toll-free hotline, in person meeting at the place where the complainant or the project/programme is located) ( <a href="#">IRM</a> ); different means of evidence are accepted (e.g. media reports, testimonials in original language, photographs, research studies, letters of support from stakeholders) ( <a href="#">IRM</a> , <a href="#">GS</a> ); requirement that the grievance mechanism is explained by the project proponent during the stakeholder consultation through adequate means (during meeting with the community and through media widely used by the community) ( <a href="#">IRM</a> ), translation of outcomes/decisions to the language of the complainants ( <a href="#">GS</a> , <a href="#">IRM</a> )
<b>Transparency</b>	Grievance repository made publicly available online by responsible entity with all decisions on past grievances raised and all documents brought in in original language throughout the process, as well as summary statistics ( <a href="#">GS</a> , <a href="#">IRM</a> ); possibility for stakeholders not having access to the online version to request paper version of documents at nominal fee ( <a href="#">IRM</a> ); publication of examples of potential grievances that the grievance mechanism accepts and reject ( <a href="#">GS</a> , <a href="#">IRM</a> ); publicly available information on staff responsible to work on grievances ( <a href="#">IRM</a> ); appointment of grievance investigation team ( <a href="#">GS</a> ) and independent third-party reviewer (when needed) ( <a href="#">Verra</a> , <a href="#">GS</a> ); development of an investigation plan on how grievance will be addressed that can be translated upon request ( <a href="#">GS</a> ); If grievance submission is ineligible, an explanation and recommendation on how to file grievance correctly is provided if possible ( <a href="#">GS</a> )
<b>Predictability</b>	Detailed stepwise description of the process of dealing with a grievance with timeframe for each step specified ( <a href="#">GS</a> , <a href="#">IRM</a> ); regular updates to the complainants regarding the status of their grievances ( <a href="#">GS</a> , <a href="#">IRM</a> ); notification of positive/negative outcome through written/oral means explaining the reasons ( <a href="#">ACR</a> , <a href="#">Verra</a> , <a href="#">GS</a> , <a href="#">IRM</a> ); procedures in place to monitor/follow-up implementation of corrective actions ( <a href="#">GS</a> , <a href="#">IRM</a> , partially <a href="#">Verra</a> and <a href="#">CAR</a> ); clear procedures to follow up with project developers and stakeholders regarding the implementation of grievance mechanism decisions ( <a href="#">IRM</a> ).
<b>Independence</b>	In-house independent team or person appointed to handle the grievances ( <a href="#">GS</a> , <a href="#">IRM</a> ); formal appeal process including options to escalate the grievance to other authorities within the entity if complainant is not satisfied with outcome ( <a href="#">ACR</a> , <a href="#">GS</a> , <a href="#">Verra</a> ); policies in place to avoid conflict of interest regarding staff members of the entity (e.g., parties need to declare potential conflict of interest, staff member assigned should not have been involved in the issue discussed) ( <a href="#">GS</a> , <a href="#">ACR</a> , <a href="#">IRM</a> )

Criteria	Ways to satisfy the criterion
<b>Adequacy</b>	Adequate remedies include: repeal of a decision ( <a href="#">Verra</a> ), cancellation of credits, withhold the issuance and/or purchase credits from third parties at the project account holder's expense and cancel them in case of over-issuance ( <a href="#">CAR</a> ); adequate and sufficient resources (staff, financial resources) to operate effectively ( <a href="#">IRM</a> ); involvement of high level decisionmakers of entity (e.g., Board, Executive Secretary, Presidents, etc.) ( <a href="#">ACR</a> , <a href="#">CAR</a> , <a href="#">Verra</a> , <a href="#">GS</a> , <a href="#">IRM</a> ); monitoring system in place to follow-up implementation of the remedies; implementation of voluntary problem-solving approach to address grievances ( <a href="#">IRM</a> ), crediting projects that are the subject of grievances are flagged on the registry website to show that an investigation is underway ( <a href="#">GS</a> )
<b>Safeguards</b>	Option of confidentiality ( <a href="#">ACR</a> , <a href="#">Verra</a> , <a href="#">GS</a> , <a href="#">IRM</a> ); provide the option of anonymity but also explain potential downsides of this option ( <a href="#">GS</a> ); include safeguards to prevent potential retaliations regulate how all affected parties can be given a fair say in the process to better understand the issues and the context ( <a href="#">IRM</a> ); include provisions on how the grievance mechanism relates to mechanisms of the project host country or other mechanisms of other entities/donors (e.g., grievances that relate to the laws, policies, and regulations of the host country are not deemed eligible) ( <a href="#">IRM</a> ).
<b>Source of continuous learning</b>	Identify recurrent issues and geographical areas that generate most of the complaints ( <a href="#">GS</a> ); Organize periodic meetings with Senior representatives/Boards to discuss lessons learned and insights gained from handling cases or good international practices ( <a href="#">IRM</a> ).

### 3.1. Assessment summary

Based on the analysis provided in the previous section, Table 3 provides a summary of the grievance mechanisms assessed:

Criteria/Grievance mechanisms	Global Carbon Council (GCC)	Verra	ACR	CAR	Gold Standard	IRM-GCF
	<b>Level 1: Carbon market standards with no grievance mechanism in place</b>	<b>Level 2: Carbon market standards with grievance mechanisms in place, although low level of detail provided, where a significant improvement is required</b>			<b>Level 3: Entities with grievance mechanisms regulated with a good level of detail</b>	
<b>Accessibility</b>	-	-Procedural costs required to be paid by complainant -No direct access point or standalone webpage -Only internet submissions -Information exclusively in English and not presented in a user-friendly manner	-No direct access point or standalone webpage -Only internet submissions -Information exclusively in English and not presented in a user-friendly manner	-No direct access point or standalone webpage -Only internet submissions -Information exclusively in English and not presented in a user-friendly manner	-Dedicated grievance mechanism website and detailed guidance explaining the procedure to be followed -Resolutions of the grievances can be translated to other languages upon request	- Dedicated website that provides easy-to-digest information on the mechanism, visible point access to file a grievance, and access to resources, news, and multimedia for users to increase understanding of the mechanism -Proactive approach to raise awareness about the mechanism (e.g., through meetings, publications) - Communication and translation into the complainants language upon request
<b>Transparency</b>	-	-No grievance repository available	-No grievance repository available	-No grievance repository available	-Grievance repository available -Detailed description of the process to be undertaken (e.g., development of investigation plan, the timeline for resolution)	-Grievance repository available - Full disclosure of current IRM staff members, and past staff members



Criteria/Grievance mechanisms	Global Carbon Council (GCC)	Verra	ACR	CAR	Gold Standard	IRM-GCF
<b>Predictability</b>	-	-General description of the process, but no specific time frames provided	-General description of the process, but no specific time frames provided	-General description of the process, but no stepwise description nor specific time frames provided	- Stepwise description (10 steps) and time frame for each step provided in a very clear and reader-friendly manner - Regular updates to complainants provided	- Stepwise description and time frame for each step provided in a very clear and reader-friendly manner - Regular updates to complainants provided
<b>Independence</b>	-	-No detailed description of how the complaint will be managed within the standard -External experts can be appointed -Right to appeal regulated	- ACR representative appointed should not have been involved in the issue -Right to appeal regulated	-No clear provisions on independence of mechanism -Right to appeal is not regulated	- In-house independent team to be appointed for the management of grievances -Staff involved in the investigation to declare any potential conflict and when necessary, disqualify themselves accordingly -External experts can be appointed -Right to appeal regulated	- IRM is a nominated team, independent from the GCF staff - Complainants have no right to appeal the final compliance report submitted by the IRM to the Board
<b>Adequacy</b>	-	-Submission can be made at any time -but Decisions can be repealed as a remedy action - Relevant senior authorities involved in the process	-Submission can be made at any time -No clarity on potential remedies - Relevant senior authorities involved in the process	-Submission can be made at any time -In case of over-issuance, remedies include cancellation of credits, withhold the issuance and/or purchase and cancel credits from third parties at the project account holder's expense -Relevant senior authorities involved in the process	- Submission can be made at any time -Carbon projects affected by potential grievances are flagged on the GS webpage to showcase that an investigation is underway -Relevant senior authorities involved in the process	- Submission can be made at any time, although limited to 2 years after date of the problem or 2 years after end of project -Higher authorities are aware of complaints related to GCF projects -Two types of approaches to address complaints regulated: a problem-solving approach (voluntary) and compliance review
<b>Safeguards</b>	-	-Option to file grievances confidentially, but not anonymously	-Option to file grievances confidentially	- Option to file grievances confidentially and/or	-Option to file grievances confidentially	- Confidentiality is provided upon request but anonymous complaints are not allowed

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Criteria/Grievance mechanisms	Global Carbon Council (GCC)	Verra	ACR	CAR	Gold Standard	IRM-GCF
		-No safeguards regarding how the parties could be given a fair say nor how to avoid retaliation	-No safeguards regarding how the parties could be given a fair say nor how to avoid retaliation	anonymously not regulated -No safeguards regarding how the parties could be given a fair say nor how to avoid retaliation	- Anonymous complaints are accepted but not encouraged - Reprisals against complainants are prohibited, although it is not specified how this will be enforced -Improvements of the mechanism based on past experiences are regulated	- Detailed guidance on operationalizing the retaliation safeguards -Guidance on cooperation between the IRM and other grievance mechanisms - Improvements of the mechanism based on past experiences are regulated

## 4. Recommendations for an A6.4 grievance mechanism as well as assessed grievance mechanisms

### 4.1. Recommendations for the improvement of VCM grievance mechanisms

The assessment of existing grievance mechanisms under the VCM shows significant areas where improvement is needed. First, and most importantly, VCM grievance mechanisms must be clearly described on the standards' websites, meaning these mechanisms need to be properly institutionalized. Currently, among the carbon market standards assessed, Gold Standard (GS) is the only one that fulfils this requirement. Secondly, the standards must work towards having centralized grievance registries for them to identify their systemic environmental and human rights problems and for indigenous peoples and local communities to be aware of potential problems carbon projects might create. As for the previous point, GS is the only standard with such a registry in place.

In addition, to these two main recommendations, Table 2 summarizes recommendations for improvement on the grievance mechanisms assessed:

**Table 4 Recommendation for the improvement of VCM grievance mechanisms and GCF**

Assessment Criteria	Verra	GS	ACR	CAR	GCC	GCF
<b>Accessibility</b> Accessible and equitable	Significant improvement needed. No procedural costs should be charged.	Room for improvement of the mechanism should be also available in other language besides English, email to submit grievances needs to be available in main webpage, and the links between SustainCERT and GS grievance mechanism need to be better clarified in GS's website	Further guidance needs to be developed to fully meet this criterion	Further guidance needs to be developed to fully meet this criterion	Grievance mechanism needs to be developed	Good performance no specific recommendations
<b>Transparency</b>	Significant improvement needed. Need to develop grievance repository	Good performance no specific recommendations	Significant improvement needed. Need to develop grievance repository	Significant improvement needed. Need to develop grievance repository	Grievance mechanism needs to be developed	Good performance no specific recommendations
<b>Predictability</b>	Further guidance needs to be developed to clarify procedure and timeframes	Good performance no specific recommendations	Further guidance needs to be developed to clarify procedure and timeframes	Further guidance needs to be developed to clarify procedure and timeframes	Grievance mechanism needs to be developed	Good performance no specific recommendations

Assessment Criteria	Verra	GS	ACR	CAR	GCC	GCF
<b>Independence</b>	Further guidance needs to be developed to fully meet this criterion	Good performance no specific recommendations	Further guidance needs to be developed to fully meet this criterion	Further guidance needs to be developed to fully meet this criterion	Grievance mechanism needs to be developed	Good performance but appeals process needs to be accepted and regulated
<b>Adequacy</b>	Further guidance needs to be developed to fully meet this criterion	Good performance no specific recommendations	Further guidance needs to be developed to fully meet this criterion	Further guidance needs to be developed to fully meet this criterion	Grievance mechanism needs to be developed	Good performance no specific recommendations
<b>Safeguards</b> Rights-compatible, source of continuous learning	Further guidance needs to be developed to fully meet this criterion	Good performance no specific recommendations	Further guidance needs to be developed to fully meet this criterion	Further guidance needs to be developed to fully meet this criterion	Grievance mechanism needs to be developed	Good performance no specific recommendations

Note: Green colour: exemplary; yellow: room for improvement; pink: significant gaps; red: critically insufficient

To start with, all standards need to have a fully operationalized grievance mechanism in place. GCC must create one, and Verra, ACR, and CAR should work towards better positioning their mechanisms. Overall, Verra, ACR and CAR need to develop further guidance to meet all the effectiveness criteria. Regarding accessibility, the grievance mechanism needs to be visible, as for an external user, it is challenging to identify how to lodge a grievance. This includes, inter alia, creating a direct access point with information not exclusively in English. Verra must also abolish charging complainants procedural costs that are only restituted if the complaint is decided favourably, as this is a clear deterrent for filing complaints ([section 3.3](#)). Concerning transparency, the standards need to have a grievance repository accessible by any external user. The predictability of their mechanisms can be further increased by including stepwise descriptions of how grievances will be addressed and providing time frames in a clear and reader-friendly manner. Regarding the independence criterion, the three standards need to specify further how independence is ensured, and CAR should regulate the right to appeal. On adequacy, the standards need to provide information on the types of remedies a complainant can seek when filing a grievance. On safeguards, it should be regulated how all the parties could be given a fair say and how to avoid retaliation, as well as how the mechanisms can learn from their experience to improve their performance.

The GS grievance mechanism is clearly the frontrunner among VCM standards. Still, among all the mechanisms assessed, the IRM of the GCF mechanism is the one that performs best. GS needs to make the mechanism more accessible to non-English speakers, as well as there needs to be a clear link where to submit the grievances. On the IRM the only recommendation is to regulate the right to appeal. Nevertheless, these two grievance mechanisms are the frontrunners regarding the quality of a grievance mechanism.

## 4.2. Recommendations for the design of the A6.4 grievance mechanism

The assessment undertaken in section 3 provided relevant insights on how carbon market standards regulate their grievance mechanisms, as well as steps towards making these mechanisms effective. Based on said analysis, the current section provides recommendations for the future setup of an A6.4 grievance mechanism. In addition, aspects that warrant further analysis have also been highlighted.

### 4.2.1. Procedural aspects recommendations

- **The setting up of the A6.4 grievance mechanism needs to start soon and must be a top priority for the A6.4SB agenda. Grievances can arise in the early stages of the A6.4 mechanism, and the design and implementation of the grievance mechanism might be lengthy.**
- **Further studies must be undertaken regarding the mechanisms' institutional arrangements, e.g., identifying where the mechanism should be institutionally situated, how should it be governed, clarifying the scope of the grievances and the remedies to be provided, and the interplay with other grievance mechanisms.**

The A6.4 grievance mechanism should be designed to provide rapid and less costly remedies grievances, without neglecting the need to carry out an adequate investigation process.

In this regard, as a first step, the A6.4 Supervisory Body (A6.4SB) needs to work on the institutional arrangements and governance of the mechanism. Among other aspects, it needs to identify to whom the mechanism should report, its staff composition, its financing, and the type of grievances the mechanism will accept. Defining the scope of grievances is closely related to the mandate of the A6.4SB, and how it foresees interlinkages with other grievance mechanisms, for example, the grievance mechanisms of project developers, involved financing institutions and other state-based non-judicial grievance mechanisms<sup>12</sup>. At the early stages of the A6.4 grievance mechanism, it could be challenging to have a positive or negative list of potential grievances the mechanism could address.

We recommend the mandate of the A6.4 grievance mechanism initially to be defined as follows: “accept any grievance on the application of A6.4 rules, modalities, and procedures, or any grievance regarding any potential social and environmental negative impact an activity under the mechanism can generate, including aspects related to environmental integrity and human rights, and grievances regarding decisions made by the A6.4SB”. To improve accessibility of the mechanism, this mandate should be accompanied by examples of potential grievances, for example, absence of adequate local consultations, lack of additionality or potentially inflated baselines of a proposed/registered activity.

Once interlinkages with other grievance mechanisms have been clarified, the A6.4 grievance mechanism guidelines should indicate its role regarding specific grievances and how they should be addressed. For example, referencing the approach followed by GS and the SustainCERT mechanism ([section 3.4.1](#)), certain grievances, such as lack of participation or stakeholder engagement could be first addressed by project developers' mechanisms, and then as part of an appeal process to be handled by the A6.4 mechanism.

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<sup>12</sup> For example, Peru is currently developing a state-based non judicial grievance mechanisms to address grievances related to its REDD+ national programme and REDD+ projects.

As a second point, following the best practices of the mechanisms assessed in section 3, any stakeholder -directly or indirectly related to the activity- should be entitled to lodge a grievance at any desired time. Regarding the latter point, this shall allow submitting grievances in the early conceptualizations of an A6.4 methodology or activity planning and implementation.

A third point on the procedural aspects relates to the type of remedies the A6.4 mechanism could provide. As assessed in section 3, carbon market standards do not specify the type of remedies a complainant could seek, but rather regulate this by including a general provision that remedies will depend on the kind of grievances lodged. In addition, we recommend that the A6.4 grievance mechanism guidance indicate that a grievance can lead to the deregistration or impossibility of registration of an activity or to the possible revision of an approved A6.4 methodology or of other A6.4 rules, modalities and procedures.

#### 4.2.2. Effectiveness practices recommendations

In addition to the procedural recommendations, in this section we include suggestions on best practices on how to make the A6.4 grievance mechanism effective.

##### Accessibility

- **Users worldwide and with different levels of education must be able to rapidly and easily access the mechanism, including its related information, and be fully capable of lodging a grievance with non or minimal support by experts.**
- **The mechanisms must be gender-responsive and culturally appropriate.**
- **The grievance mechanism needs to be actively promoted to create awareness among potential users.**

The A6.4 grievance mechanism needs to be institutionalized appropriately, which translates into having a mechanism that users can rapidly and easily identify. In this regard, a dedicated website is required to explain the grievance mechanism and provide access to the repository of grievances, and related documentation. The [IRM website](#) of the GCF is a good reference for this. Website information must be available in various languages, not only English: at a minimum, in the official UN languages.

Likewise, submission of grievances has to be allowed at any time and in any language, including the local language of communities. The burden of translation should be on the UNFCCC system, not on the complainants. Moreover, following the example of the GCF ([section 3.4.2](#)), final decisions regarding the grievance should also be translated into the complainant's language.

A wide range of options on how to lodge a grievance must be allowed, and no formal requirements for their submission should be imposed. Options should include an online complaints form, mail, email, toll-free hotline, WhatsApp, or even by raising complaints when in-person meetings occur in the area where the activity is located. Also, different means of evidence must be accepted, including media reports, testimonials in the original language, photographs, research studies, letters of support from stakeholders, etc. No procedural costs or other fees must be charged to the complainant for lodging grievances or for addressing the complaint.

To promote awareness regarding the mechanism, the A6.4SB or other UNFCCC relevant authorities should actively promote the grievance mechanism. Referencing the good practices of the IRM of the GCF again ([section 3.4.2](#)), a proactive approach to raise awareness and provide information about the grievance mechanism in a gender-responsive and culturally appropriate manner to its stakeholders, including potentially affected people, civil society organizations and relevant government organizations,

should be followed. This can be done through, for example, online webinars and an active role in sharing information and publications about the grievance mechanism. Finally, all the grievance mechanism-related information must be kept as user-friendly as possible.

### **Transparency**

- **Full transparency on the mechanisms, its rules, the grievances filed, the remedies provided must exist. In this respect, a grievance repository shall be publicly accessible.**

Clear guidance on how the grievances will be addressed needs to be developed. This guidance should provide, inter alia, a stepwise description of how grievances will be addressed, the specific time frames for each step of the process, and the responsible internal and external staff assigned to address the grievances. This guidance needs to be easily accessible by any potential user of the mechanism. This guidance should also be available on request as a paper version for stakeholders who do not have access to the online version.

An essential component of transparency is to have a grievance repository available. The GS and the GCF repositories can be used as good examples of how to develop such a repository ([section 3.4](#)). At the minimum, the repository should contain and publish information including the date of submission of grievances, the parties involved (or aggregated information about the parties, depending on confidentiality requested), a summary of grievances and decisions, and all relevant documentation regarding the grievance redress process, including documents submitted in the original language throughout the process. The repository should also provide a summary of statistics, which could cover the number of total grievances, types of grievance (e.g. project-level, methodology-level), the country/region of complainants, specific activities/methodologies on which grievances have been filed, number of decisions/resolutions in favour or against the complainant. In addition, this repository must allow users to easily identify the potential grievances to be accepted by the grievance mechanism and such that will not be dealt with. Closely related to this, options to follow-up complaints online need to be made available.

Also, activities undergoing a grievance check should be marked in the A6.4 registry. GS ([section 3.4.1](#)) pursues a similar practice by red flagging on its webpage that an investigation of a particular project is underway. In this regard, potential credit buyers know that the activity is subject to grievances.

### **Predictability**

- **Clear rules, procedures, steps, timeframes, and regular communication with the complainant are essential to ensure the predictability of the mechanism.**

The A6.4 grievance mechanism needs to be predictable. This implies providing a detailed stepwise description of the process of dealing with a grievance with the specific timeframe for each step. In addition to having specified this in its document, GS ([section 3.4.1](#)) includes an infographic with a user-friendly description of the process on its website. A similar practice should be implemented by the A6.4 grievance mechanism.

In addition, the following practices to enhance predictability are strongly recommended: provide regular updates to the complainants regarding the status of their grievances, notify and explain the reasons for positive or negative outcomes through written means, inform the complainant beforehand about the potential remedies the mechanism can provide (e.g., overturn of a decision, deregistration of a project). Moreover, clear procedures to follow-up with project developers and/or complainants regarding the implementation of grievance mechanism decisions should be specified.

## Independence

- **The A6.4 grievance mechanism must be fully independent. An independent and impartial team should be appointed, and although it should notify the A6.4SB about the grievances, the A6.4SB should not have any interference in the remedies to be provided.**

An independent entity or dedicated in-house staff members should be appointed by the A6.4SB and supported by the UNFCCC Secretariat to deal with A6.4-related grievances. The IRM of the GCF ([section 3.4.2](#)) nicely exemplifies how this could be done, as the IRM is a nominated team, independent from the GCF staff, that reports directly to the board. In complex cases or when necessary, the option to bring external experts should be allowed. This is also a best practice from GS ([section 3.4.1](#)). Related to this, it will be essential to have policies in place to avoid conflicts of interest, meaning staff members assigned to the case should not have been involved in the issue discussed. Likewise, the A6.4 grievance mechanism should regulate the option to escalate the grievances to other authorities (appeal process) if complainants are unsatisfied with the outcome.

Furthermore, to be fully independent, the mechanism must be adequately staffed and financed for day-to-day activities and operations to keep it functional in the long term. This also implies having the resources to undertake the translations needed or to finance travel to the project area to better grasp the reality that underlines a grievance.

## Adequacy

- **The A6.4 grievance mechanism remedies need to have “teeth” and be able to challenge decisions made by the A6.4SB.**
- **Projects under scrutiny should be flagged in the A6.4 registry.**

On the one hand, the adequacy of the A6.4 grievance mechanism will be reflected in the type of remedies it can provide. First, it should aim to support the complainant in finding a solution to its grievance, as in the problem-solving approach followed by the IRM of the GCF ([section 3.4.2](#)). However, potential remedies shall also include the option to overturn a prior decision of the A6.4SB, including the possibility of deregistering an activity. Ideally, issuances (or cancellations) of A6.4 emission reduction credits should also be consistent with the remedy applied as outcome of the grievance process.

Moreover, as raised before, projects under scrutiny should also be flagged in the A6.4 registry, so potential buyers or stakeholders will be aware the project has an open investigation underway. Remedies must have a binding character, where the relevant parties must demonstrate they are implementing the them.

On the other hand, and without undermining the independence of the mechanism, adequacy is also reflected in the involvement of the chair and vice chair of the A6.4 SB. For example, this could be done by notifying them about the grievance from the early stages of the redress process. Finally, adequacy is also reflected in providing culturally appropriate remedies (e.g., by translating the decision into the local languages of the complainants), or by considering the indigenous groups' and local communities' values and views throughout the remedy-seeking process.



## **Safeguards**

- **Confidentiality for complainants should be ensured, and retaliation safeguards need to be developed.**
- **The grievance mechanism needs to be a “living mechanism”. The experiences in managing the grievances should be capitalized for the mechanism to constantly improve.**

On the safeguards side, complainants should have the option of confidentiality, including the possibility of signing non-disclosure agreements. The choice of submitting an anonymous complaint should also exist, but the potential downsides of this option should be described, as is the case of the GS section 3.4.1). Consequently, the A6.4 grievance mechanism should have retaliation safeguards in place. The IRM GCF ([section 3.4.2](#)), retaliation safeguards could be a good starting point for developing the retaliation safeguards under the A6.4 grievance mechanism.

In addition, the A6.4 grievance mechanism should recognize the role some state-based mechanisms can have in addressing grievances. This can translate into having safeguards in place that respect the internal domestic system of the countries, as well as their jurisdiction and the jurisdiction of international courts regarding certain matters. It will be essential to regulate how the A6.4 grievance mechanism relates to other mechanisms of the project host country, project-level mechanisms, and grievance mechanisms of other donor agencies. For example, the IRM of the GCF ([section 3.4.2](#)) regulates the cooperation between the IRM and other grievance mechanisms from the accredited entities.

Finally, the A6.4 grievance mechanism should aim for constant improvement based on lessons learned. Therefore, the IRM of the GCF ([section 3.4.2](#)) should again be looked at when striving to find best practices on how the mechanism could be a source of continuous learning. For example, the mechanism can organize periodic meetings with the A6.4SB to discuss lessons learned and insights gained from handling cases or good international practices and discuss suggestions for improvement.

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## Annex A

	American Carbon Registry	Climate Action Reserve	Gold Standard	Verra	Green Climate Fund (3)
<b>Type of claims</b>	<p><b>Types:</b> Objects to a decision made by ACR representatives or the application of the ACR program requirements <b>Does the institution initiate processes at its own initiative?</b> Not specified.</p>	<p><b>Types:</b> i) Feedback or inquiries, positive or negative ii) Comments related to the protocol iii) Grievances Topics: potential over-issuance, ownership of GHG emission reductions, potential negative and social impacts related to the project <b>Does the institution initiate processes at its own initiative?</b> Not specified</p>	<p><b>Types:</b> Grievances relating to standard setting activities, procedures and Gold Standard itself, SustainCERT, Gold Standard Validation and Verification Bodies or the Oversight Body. <b>Does the institution initiate processes at its own initiative?</b> Yes, based on news and outcomes of quality assurance and control processes undertaken by GS.</p>	<p><b>Types:</b> Complaints procedure: objection to decision taken by Verra, or aspect how the program operates, or claim that program have had an unfair, inadvertent or unintentional adverse effect. <b>Does the institution initiate processes at its own initiative?</b> Does not specify.</p>	<p><b>Types:</b> i) complaints and grievances from persons adversely impacted by projects or programmes of the GCF (welcomes submissions in different formats/languages/maintaining anonymity/submissions available on a public database) ii) reconsideration request <b>Does the institution initiate processes at its own initiative?</b> Yes</p>
<b>Types of remedies</b>	Not specified.	Not clear but could imply overturn of potential over-issuance. Specific action will depend on the nature of the grievance	i) ad-hoc answer to specific type of grievances: ii) Deregistration of projects	Not clear, but outcome of complaint can lead to overturn a decision made by Verra.	Remedies to be provided depend on the type of grievance
<b>Actors entitled to submit claims</b>	Project Proponent or ACR stakeholder.	Stakeholders	Any stakeholder.	Project proponents, assessors, methodology element developers and other stakeholders (including interested stakeholders).	Any stakeholder
<b>Grievance process regulation</b>	2-page document, embedded in manual, available online.	1-pager document. Procedure regulated within the Reserve Offset Program manual.	Detailed procedure. Procedure has gone over several revision already	2-page document, vague description	Detailed procedure

	American Carbon Registry	Climate Action Reserve	Gold Standard (several versions).	Verra	Green Climate Fund (3)
<b>Accessibility</b>	<p><b>Procedural costs:</b> Not specified.</p> <p><b>Submission channels:</b> Only internet submissions, written email to given email address.</p> <p><b>Specific mention to focal point or general email address:</b> ACR@winrock.org</p> <p><b>Language:</b> English.</p> <p><b>Easiness to access mechanism and related information:</b> mechanism described in guidance, not direct access link in the website. No information available in home page of ACR.</p> <p><b>Culturally appropriate mechanism (i.e., specific provisions for addressing Indigenous Peoples' needs:</b> No.</p> <p><b>Means of evidence accepted (e.g., recorded testimonies in original language):</b> Doesn't state what types of evidence are accepted but welcomes 'supporting documentation'.</p>	<p><b>Procedural costs:</b> Not specified.</p> <p><b>Submission channels:</b> Only internet submissions, email, phone number also provided</p> <p><b>Specific mention to focal point or general email address:</b> Yes, reserve@climateactionreserve.org</p> <p><b>Language:</b> English</p> <p><b>Easiness to access mechanism and related information:</b> No, but it has a contact site, with info of contact points. Also offers a telephone number. Not access point-home page.</p> <p><b>Culturally appropriate mechanism (i.e., specific provisions for addressing Indigenous Peoples' needs:</b> No</p> <p><b>Means of evidence accepted (e.g., recorded testimonies in original language):</b> Does not state specifically.</p>	<p><b>Procedural costs:</b> No</p> <p><b>Submission channels:</b> Only internet submissions to a given e-mail address or written letter.</p> <p><b>Specific mention to focal point or general email address:</b> Yes, grievance@goldstandard.org</p> <p><b>Language:</b> English, translation to other languages of the resolutions can be done upon request.</p> <p><b>Easiness to access mechanism and related information:</b> Yes, dedicated website and grievance approval procedure</p> <p><b>Culturally appropriate mechanism (i.e., specific provisions for addressing Indigenous Peoples' needs:</b> No</p> <p><b>Means of evidence accepted (e.g., recorded testimonies in original language):</b> Correspondence, such as emails or letters, research studies, or letters of support from other stakeholders.</p>	<p><b>Procedural costs:</b> All expenses, internal and external, incurred by Verra in handling complaints and appeals shall be paid by the entity filing the complaint or appeal. If result is favourable for affected, then expenses will be returned.</p> <p><b>Submission channels:</b> Only internet submissions. Grievances to be sent to program manager and the Verra Secretariat.</p> <p><b>Specific mention to focal point or general email address:</b> Yes, secretariat@verra.org</p> <p><b>Language(s):</b> English</p> <p><b>Easiness to access mechanism and related information:</b> Only a complaints policy. no dedicated website. A quick google search allows to easily find the policy.</p> <p><b>Culturally appropriate mechanism (i.e., specific provisions for addressing Indigenous Peoples' needs:</b> No</p> <p><b>Means of evidence accepted (e.g., recorded testimonies in original language):</b> No specific mention.</p>	<p><b>Procedural costs:</b> No fee</p> <p><b>Submission channels:</b> online complaints form, mail, email, voice or video recording, or by calling a toll-free hotline</p> <p><b>Specific mention to focal point or general email address:</b> Yes - irm@gcfund.org.</p> <p><b>Language:</b> in any language the complainant uses. IRM will translate into English</p> <p><b>Easiness to access mechanism and related information:</b> Yes - <a href="https://irm.greenclimate.fund/case-register/file-complaint">https://irm.greenclimate.fund/case-register/file-complaint</a>. Yes. Complaints can also be submitted to the grievance redress mechanisms of the Accredited Entities of CGF.</p> <p><b>Culturally appropriate mechanism (i.e., specific provisions for addressing Indigenous Peoples' needs:</b> Yes, IRM can have meetings at the place complainant or the programme is located. All information will be translated into the local language of the complainant.</p> <p><b>Means of evidence accepted (e.g., recorded testimonies in original language):</b> documents, media reports, photographs, videos and recordings. But there are no</p>



	American Carbon Registry	Climate Action Reserve	Gold Standard	Verra	Green Climate Fund (3)
	<p><b>Is the mechanism advertised?</b> No.</p> <p><b>Support to communities to overcome barriers (e.g., fees, lawyer needs, translators):</b> Doesn't state.</p>	<p><b>Is the mechanism advertised?</b> No.</p> <p><b>Support to communities to overcome barriers (e.g., fees, lawyer needs, translators):</b> Does not state.</p>	<p><b>Is the mechanism advertised?</b> No, but a google search brings up the relevant guidance and the dedicated webpage</p> <p><b>Support to communities to overcome barriers (e.g., fees, lawyer needs, translators):</b> Translation service offered for investigation plans and resolutions if requested.</p>	<p><b>Is the mechanism advertised?</b></p> <p><b>Processes in place to raise awareness about the mechanisms:</b> No, but a simple google search brings up the policy.</p> <p><b>Support to communities to overcome barriers (e.g., fees, lawyer needs, translators):</b> No mention of additional support.</p>	<p>formal requirements for filing a grievance or complaint</p> <p><b>Is the mechanism advertised?</b></p> <p>The IRM will take a proactive approach to raising awareness and providing information about the IRM in a gender responsive and culturally appropriate manner to its stakeholders, including potentially affected people, civil society organizations, NDAs or Focal Points, AEs, GCF staff and others, so that they may have the information they may need about its mandate, objectives and functioning, and so that the IRM can be effective in fulfilling its functions</p>
Transparency	<p><b>Grievance repository available:</b> Could not be found.</p> <p><b>Transparency on staff responsible to address the grievance:</b> ACR representative.</p> <p><b>Transparency of process to be undertaken:</b> Could not be found.</p> <p><b>Examples of potential grievances:</b> No.</p> <p><b>Explanation on rejection of grievances:</b> Yes, but not detailed</p> <p><b>Options to follow-up complaints (e.g., log complaints online):</b> No mention.</p>	<p><b>Grievance repository available:</b> Could not be found.</p> <p><b>Transparency on staff responsible to address the grievance:</b> Contact points for every protocol, Staff members collect information.</p> <p><b>Transparency of process to be undertaken:</b> Not outlined in document.</p> <p><b>Examples of potential grievances are given:</b> No</p> <p><b>Explanation on rejection of grievances:</b> Not regulated</p> <p><b>Options to follow-up complaints (e.g., log complaints online):</b> No regulated</p>	<p><b>Grievance repository available:</b> Final reports are published online; <a href="https://www.goldstandard.org/our-story/grievances-deregistration">https://www.goldstandard.org/our-story/grievances-deregistration</a></p> <p><b>Transparency on staff responsible to address the grievance:</b> Appointment of grievance investigation team from Secretariat and identification of independent third-party reviewer.</p> <p><b>Transparency of process to be undertaken:</b> Development of investigation plan.</p> <p><b>Examples of potential grievances are given:</b> Yes.</p> <p><b>Explanation on rejection of grievances regulated:</b> Yes, If the grievance is found ineligible, GS</p>	<p><b>Grievance repository available:</b> No.</p> <p><b>Transparency on staff responsible to address the grievance:</b> Appointment of appropriate person, possible involvement of external experts.</p> <p><b>Transparency of process to be undertaken:</b> Policy does not go into detail about the process.</p> <p><b>Examples of potential grievances are given:</b> No</p> <p><b>Explanation of rejection of grievances regulated:</b> No</p> <p><b>Options to follow-up complaints (e.g., log complaints online):</b> Not regulated</p>	<p><b>Grievance repository available:</b> Yes - <a href="https://irm.greenclimate.fund/case-register">https://irm.greenclimate.fund/case-register</a> and <a href="https://irm.greenclimate.fund/document/history-irm-pre-cases">https://irm.greenclimate.fund/document/history-irm-pre-cases</a></p> <p><b>Transparency on staff responsible to address the grievance:</b> Yes, IRM</p> <p><b>Transparency of process to be undertaken:</b> Yes, process is described in detail</p> <p><b>Examples of potential grievances are given:</b> Yes, on the website in case repository. Guidelines also provide examples of grievances excluded from the mechanism</p> <p><b>Explanation of rejection of grievances:</b> No clear if a notification of rejection is submitted to the complainant</p>

	American Carbon Registry	Climate Action Reserve	Gold Standard	Verra	Green Climate Fund (3)
			will provide an explanation and a recommendation on how to address the grievance correctly, if possible <b>Options to follow-up complaints (e.g., log complaints online):</b> yes		<b>Options to follow-up complaints (e.g., log complaints online):</b> Yes. It has a complaints database where the complaints process can be monitored. <a href="https://irm.greenclimate.fund/case-register">https://irm.greenclimate.fund/case-register</a>
<b>Predictability</b>	<b>Stepwise description of how grievance will be addressed:</b> No <b>Time frame for each step specified:</b> No <b>Regular updates to complainants:</b> No <b>Notification of outcomes:</b> Written response via email to the complainant detailing decision. <b>Procedures to monitor/follow up implementation of corrective actions:</b> Does not mention.	<b>Stepwise description of how grievance will be addressed:</b> No <b>Time frame for each step specified:</b> No <b>Regular updates to complainants:</b> Not regulated <b>Notification of outcomes:</b> Not regulated. <b>Procedures to monitor/follow up implementation of corrective actions:</b> No mention.	<b>Stepwise description of how grievance will be addressed:</b> Yes (10 steps). <b>Time frame for each step specified:</b> Yes. <b>Notification of outcomes:</b> Yes. <b>Regular updates to complainants:</b> Yes. <b>Procedures to monitor/follow up implementation of corrective actions:</b> Yes	<b>Stepwise description of how grievance will be addressed:</b> Yes, but very general <b>Time frame for each step specified:</b> No <b>Notification of outcomes:</b> Written response to the complainant. <b>Regular updates to complainants:</b> No <b>Procedures to monitor/follow up implementation of corrective actions:</b> Does not state.	<b>Stepwise description of how grievance will be addressed:</b> Yes, within 5 days written communication to acknowledge receipt of complaint; registered on IRM register; eligibility determination (30 days) etc. <b>Time frame for each step specified:</b> Yes <b>Regular updates to complainants:</b> Yes. <b>Notification of outcomes:</b> Yes <b>Procedures to monitor/follow up implementation of corrective actions:</b> Yes
<b>Independence</b>	<b>In-house independent team/representative appointed:</b> an ACR representative will be appointed and it should not have been involved with the issue <b>Independent external reviewer:</b> Yes, only in the appeal process <b>Appeal process regulated:</b> Yes <b>Does the mechanism has</b>	<b>In-house independent team/representative appointed:</b> Not regulated <b>Independent external reviewer:</b> No <b>Appeal process regulated:</b> No <b>Does the mechanism has processes in place to avoid conflict of interest?</b> No. <b>Is the mechanism adequately resourced (funds to cover</b>	<b>In-house independent team/representative appointed:</b> Yes <b>Independent external reviewer:</b> Yes <b>Appeal process regulated:</b> Yes <b>Does the mechanism has processes in place to avoid conflict of interest?</b> Yes, parties need to declare potential conflict of interests. <b>Is the mechanism adequately</b>	<b>In-house independent team/representative appointed:</b> An appropriate person to handle the complaint is appointed, but no reference to its level of independence <b>Independent external reviewer:</b> Yes, experts brought in where necessary. <b>Appeal process regulated:</b> Yes, addressed to Verra CEO and Verra Board.	<b>In-house independent team/representative appointed:</b> Yes, IRM as nominated team, working in conjunction with/having access to GCF staff, consultants and records. <b>Independent external reviewer:</b> Not specified. <b>Appeal process regulated:</b> Complainant has no right to appeal the final compliance report <b>Does the mechanism has processes in place to avoid conflict of interest?</b> The

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	<p><b>processes in place to avoid conflict of interest?</b> Yes, representative assigned should not have been involved in the issue discussed.</p> <p><b>Is the mechanism adequately resourced (funds to cover salaries, do necessary translations, etc.):</b> No mention.</p>	<p><b>salaries, do necessary translations, etc.):</b> No mention.</p>	<p><b>resourced (funds to cover salaries, do necessary translations, etc.):</b> Does not state.</p>	<p><b>Does the mechanism have processes in place to avoid conflict of interest?</b> Not regulated.</p> <p><b>Is the mechanism adequately resourced (funds to cover salaries, do necessary translations, etc.):</b> Doesn't state specifically.</p>	<p>Head of the IRM shall ensure a separation through appropriate allocation of duties and/or other arrangements between the staff and/or consultants involved in problem solving and those involved in compliance review under these PGs</p> <p><b>Does decision adopted are binding or are only recommendations?</b> Recommendations / propose steps to bring project/programme into compliance.</p> <p><b>Is the mechanism adequately resourced (funds to cover salaries, do necessary translations, etc.):</b> It reads as so, as it indicates it has dedicated staff and also might provide reimbursements as needed.</p>
Adequacy	<p><b>Does the outcome have an impact on credit issuance/ implementation of project?</b> Does not specify.</p> <p><b>Does the decision can imply a monetary compensation to complainants?</b> Does not specify.</p> <p><b>Does the decision can address issues related to indigenous peoples' territory/protection of their land/custom?</b> Does not state.</p> <p><b>Are relevant authorities involve</b></p>	<p><b>Does the outcome have an impact on credit issuance/, implementation of project?</b> Not regulated</p> <p><b>Does the decision can imply a monetary compensation to complainants?</b> Not regulated</p> <p><b>Does the decision can address issues related to indigenous peoples' territory/protection of their land/custom?</b> Not regulated</p> <p><b>Are relevant authorities involved in the process?</b> Yes, senior management at the reserve including the President will be</p>	<p><b>Does the outcome have an impact on credit issuance/, implementation of project:</b> Carbon projects affected by potential grievances are flagged in GS webpage to show an investigation is underway.</p> <p><b>Does the decision can imply a monetary compensation to complainants?</b> Does not state.</p> <p><b>Does the decision can address issues related to indigenous peoples' territory/protection of their land/custom?</b> Does not state.</p>	<p><b>Does the outcome have an impact on credit issuance/, implementation of project:</b> Overturn of an earlier decision made by Verra can be made (however no clarity on the other potential outcomes)</p> <p><b>Does the decision can imply a monetary compensation to complainants?</b> Does not state.</p> <p><b>Does the decision can address issues related to indigenous peoples' territory/protection of their land/custom?</b> Does not state.</p> <p><b>Are relevant authorities involved in</b></p>	<p><b>Does the outcome have an impact on credit issuance/, implementation of project?</b> No mention. Outcome of problem solving is published in a report on the website.</p> <p><b>Does the decision can imply a monetary compensation to complainants?</b> No mention.</p> <p><b>Does the decision can address issues related to indigenous peoples' territory/protection of their land/custom?</b> No specific mention.</p> <p><b>Are relevant authorities involved in the process?</b> Yes, GCF Secretariat and Board.</p>

	American Carbon Registry	Climate Action Reserve	Gold Standard	Verra	Green Climate Fund (3)
	<p><b>in the process?</b> Yes, ACR Senior Management assigns representative to address complaint.</p> <p><b>Time-adequacy of submissions (i.e., does grievances can be submitted before, during, and after project approval?)</b> Not specified, but reads as they can be submitted any time</p> <p><b>Are decisions adopted binding or only recommendations?</b> ACR Senior Management provide a written response, via email, to the complainant detailing ACR’s decision on the matter. Appeals are forwarded to appropriate Director who convenes a committee of representatives to review and discuss further.</p>	<p>communicated</p> <p><b>Time-adequacy of submissions (i.e., does grievances can be submitted before, during, and after project approval?)</b> Not specified, but reads as they can be submitted any time</p> <p><b>Are decisions adopted binding or only recommendations?</b> Not specified</p>	<p><b>Are relevant authorities involved in the process?</b> Yes, Board is notified.</p> <p><b>Time-adequacy of submissions (i.e., does grievances can be submitted before, during, and after project approval?)</b> At any time</p> <p><b>Reference to protection of indigenous peoples territory/protection of their land/customs:</b> No</p> <p><b>Are decisions adopted binding or only recommendations?</b> GS communicate decision, including follow up actions and/or corrective measures. Does not specify.</p>	<p><b>the process?</b> Complaints are brought to the attention and are approved by Verra Chief Executive Officer.</p> <p><b>Time-adequacy of submissions (i.e., does grievances can be submitted before, during, and after project approval?)</b> Can be submitted at any time.</p> <p><b>Reference to protection of indigenous people’s territory/protection of their land/customs.</b> Not regulated</p> <p><b>Are decisions adopted binding or only recommendations?</b> Does not state.</p>	<p><b>Time-adequacy of submissions (i.e., does grievances can be submitted before, during, and after project approval?)</b> Complaints will not be regarded if submitted to the IRM on or after whichever is the later of the following two dates: (a) within two (2) years from the date the complainant became aware of the adverse impacts referred to in paragraph 20 above or (b) within two (2) years from the closure of the GCF funded project or programme.</p> <p><b>Are decisions adopted binding or only recommendations?</b> The remediation plan shall be implemented</p>
<b>Safeguards</b>	<p><b>Confidentiality:</b> Yes</p> <p><b>Anonymous complaints:</b> Contact details need to be provided.</p> <p><b>All parties are given a fair say:</b> Not regulated</p> <p><b>Retaliation safeguards in place:</b> No mention.</p>	<p><b>Confidentiality:</b> Not specified</p> <p><b>Anonymous complaints:</b> Not specified</p> <p><b>All parties are given a fair say:</b> Not specified</p> <p><b>Retaliation safeguards in place:</b> Not regulated</p>	<p><b>Confidentiality:</b> Signing of non-disclosure agreements are encouraged.</p> <p><b>Anonymous complaints:</b> Accepted but not encouraged</p> <p><b>All parties are given a fair say:</b> Yes.</p> <p><b>Retaliation safeguards in place:</b> Yes, reprisals against complainants or appellants are prohibited and will not be tolerated</p>	<p><b>Confidentiality:</b> Yes.</p> <p><b>Anonymous complaints:</b> No (requirement to include name, and company)</p> <p><b>All parties are given a fair say:</b> Does not state.</p> <p><b>Retaliation safeguards in place:</b> Does not state</p>	<p><b>Confidentiality:</b> Yes, upon request</p> <p><b>Anonymous complaints:</b> No</p> <p><b>All parties are given a fair say:</b> Yes. Other stakeholders (i.e. GCF, NDA or Focal Point, AE and Executing Entity) are involved to better understand the issues and the context, as appropriate.</p> <p><b>Retaliation safeguards in place:</b> Yes</p>

	American Carbon Registry	Climate Action Reserve	Gold Standard	Verra	Green Climate Fund (3)
	<p><b>Respects or aligns with national procedures of the country:</b> Not specified</p> <p><b>References to other international or national grievance mechanisms/processes?</b> No</p> <p><b>Evidence of improvement based on past experiences:</b> cannot be determined</p>	<p><b>Respects or aligns with national procedures of the country:</b> Violations of domestic regulation to be handled by government bodies.</p> <p><b>References to other international or national grievance mechanisms/processes?</b> Vague reference to violation of existing regulations to be handled by relevant government agency.</p> <p><b>Evidence of improvement based on past experiences:</b> cannot be determined</p>	<p><b>Respects or aligns with national procedures of the country:</b> Yes, A grievance that relates to the laws, policies, and regulations of the host country is not deem eligible</p> <p><b>References to other international or national grievance mechanisms/processes?</b> Yes, SustainCERT.</p> <p><b>Evidence of improvement based on past experiences:</b> Yes, some reports (e.g., plantation in Uganda), make references for improvement based on lessons learned. Also explained in the procedure sheet.</p>	<p><b>Respects or aligns with national procedures of the country:</b> Does not state.</p> <p><b>References to other international or national grievance mechanisms/processes?</b> Yes, but lacks clarity.</p> <p><b>Evidence of improvement based on past experiences:</b> Not possible to assess due to lack of information</p>	<p><b>Respects or aligns with national procedures of the country:</b> Not clear</p> <p><b>References to other international or national grievance mechanisms/processes?</b> Yes, grievance mechanisms of GCF accredited agencies</p> <p><b>Evidence of improvement based on past experiences:</b> The IRM will report to the Board, through the Board Committee, on lessons learned and insights gained from handling cases and from good international practices and may recommend reconsideration of relevant GCF operational policies and procedures, guidelines and system. There is reference to the need for improvement based on their idea of 'problem solving' and coming up with solutions to the issues.</p>

## **Perspectives**

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