
Statement on the Second Replenishment of the Green Climate Fund

[The Green Climate Fund \(GCF\) observer network of civil society, Indigenous Peoples, and local communities](#) calls for an **ambitious second replenishment that more than doubles the resources committed under GCF-1**, in line with ongoing efforts to set a New Collective Quantified Goal on Climate Finance that is needs-based and drastically more than the current US \$100 billion goal.

The IPCC's recent [Sixth Assessment Report](#) reinforces not only the urgency of climate action, but also that **finance is a critical enabler for action**. The report states that climate finance for mitigation and adaptation must increase many-fold to achieve climate aims, underscoring how critical climate finance is to achieving the goals of the Paris Agreement especially as Parties continue to raise ambition in the lead up to COP28. Developing countries bearing the brunt of climate impacts have repeatedly highlighted the importance of climate finance being channelled through multilateral funds, especially those that are part of the United Nations Framework Convention on Climate Change (UNFCCC) and serving the Paris Agreement. These funds' structures and governance arrangements allow for higher levels of country ownership and accountability to Parties, as well as opportunities for all developing countries to access finance to implement actions in line with their national plans, needs, and priorities.

These discussions reinforce the centrality of the GCF in the international climate finance architecture as it is both the largest fund under the UNFCCC and the largest multilateral climate fund. In its [governing instrument](#), the GCF highlights its key and increasing role in channelling new, additional, adequate, and predictable financial resources to developing countries, and in catalysing climate finance from public, private, and alternative sources. Civil society organisations, as well as developing countries, advocated for the GCF's governance structure—in which contributing and recipient countries have equal voice and vote—as a core element that challenges the status quo of untransparent, “donor-driven”, and ineffective modes of finance.

The GCF can and should be a primary vehicle through which developed country Parties provide climate finance.

Therefore, we urge developed country Parties to contribute their fair share to the GCF replenishment, especially those countries that have not contributed, only contributed in the initial resource mobilisation, or not fulfilled their pledges in the past, and to deliver **100% of their commitments in the form of grants**. While voluntary contributions from other Parties are welcome, we urge developed country Parties to be the primary contributors for GCF-2, in line with the Paris Agreement and their obligations under the UNFCCC and international law. A successful GCF replenishment serves as a clear sign of Parties' commitment to the implementation of the Paris Agreement.

We believe in the potential of the GCF to fund real, transformative climate action.

The GCF has a mandate to directly support the implementation of country-driven climate action, and can amplify this work with adequate resources in GCF-2. It has the capacity to manage additional resources, having increased its programming capacity by scaling up its human resources infrastructure, streamlining its procedures, shortening the time to disburse funding, and creating more transparency and public accountability throughout its operations. With many projects in its pipeline, the GCF is currently held back in its programming ambition due to a lack of available funding.

The GCF's **country ownership** approach is a key feature as it recognizes that effective climate action reflects local priorities and needs. Building on lessons learned, the GCF is poised to scale up its **direct access** modalities, including by facilitating and simplifying access to financing for locally-led projects and programmes, especially for adaptation, **designed with the full participation** of communities, Indigenous Peoples, women, youth, and disabled persons, among others. By having a more expansive and inclusive understanding of country ownership, GCF financing can promote the application of **traditional and indigenous knowledge and science** and address local needs and priorities in a rights-compatible manner.

A fundamental comparative advantage of the GCF is its partnership approach and vast network of accredited entities, the majority of which are direct access entities. The GCF supports its entities in building capacity to implement best practice environmental and social safeguards and ensure Indigenous Peoples' rights, gender equality, meaningful consultation and participation, including Indigenous Peoples' right to Free, Prior and

Informed Consent (FPIC), transparency, and access to remedy. GCF financing thus leverages this network to **raise the bar on effective, rights-based climate action**. Additionally, the GCF can use its accreditation and re-accreditation practice to support accredited entities in **shifting their portfolios away from the drivers of climate change**, by eliminating fossil fuel investments and transitioning to low emission, climate resilient activities, in line with the goals of the Paris Agreement.

The GCF stands as the flagship fund to support implementation of the Convention and the Paris Agreement. The GCF is one of the most important sources of adaptation finance for the most vulnerable communities. It has a mandate to provide a balance of funds between adaptation and mitigation and to ringfence more than half of its adaptation funding for SIDS, LDCs, and African states. This is especially critical given the drastic under-resourcing of adaptation.

The urgency of combatting the climate crisis is undeniable, and any delays in providing finance will harm lives, livelihoods, and landscapes, increasing losses and damages in the near future and for years to come. An ambitious replenishment is necessary for the GCF to achieve its paradigm-shifting potential and to bring about transformative climate action in the context of sustainable development and limiting temperature rise to 1.5 °C.