

July 11, 2023

36th Board Meeting of the Green Climate Fund (GCF)

GCF Observer Network of Civil Society, Indigenous Peoples, and Local Communities

INTERVENTION

FP210: KawaSafi II (Acumen)

Access the document: <https://www.greenclimate.fund/document/gcf-b36-02-add05>

We welcome that this proposal targets financing towards an energy transition in a broad range of sub-Saharan countries. However, we have a few concerns and note areas where the proposal should be reinforced to ensure the environmental integrity of the proposed investments.

In particular, we agree with iTAP that the inclusion of biofuels is problematic given their potential to create “climate and sustainability problems”, and the proposal’s lack of “a credible methodology for determining the direct as well as indirect GHG emissions from biofuels.” However, these concerns and the recommendation in the assessment to exclude financing biofuels are not in the recommended conditions. We find this odd and feel that the potential risks outweigh the benefits; biofuels should be formally excluded from the scope of this proposal without excluding “small-scale biodigesters”.

We would like to see “carbon finance platforms” excluded from the potential list of funded technologies/sub-sectors. There are considerable issues of environmental integrity with carbon markets and offset credits, and it should not be the GCF’s role to “connect carbon project developers and buyers.”

We also have concerns about the inclusion of waste-to-energy, given that this has been shown to undermine recycling and reduction efforts in many cases, operate at very low efficiency rates, and can generate significant local air pollution.

Although this project is listed as cross-cutting, it makes only vague and broad statements about how it will contribute to adaptation. This is compounded by the fact that, as with other equity proposals, the estimates of potential impact are highly variable—for example, it is not clear from the publicly available proposal whether these assume 10 countries or just the 6 that had initially presented NOLs. Given that the fund is open to a wide range of activities—including renewable energy, energy efficiency, green manufacturing and other “productivity” gains, mobility and logistics—we would like to know what assumptions are made about impact, including which sectors and sub-sectors would be prioritized.

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