July 11, 2023

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

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

INTERVENTION

Overarching comments on funding proposals

Access the funding proposals: https://www.greenclimate.fund/boardroom/meeting/b36

We appreciate that all of the Funding Proposals at this Board Meeting are for adaptation and cross-cutting to better the balance between adaptation and mitigation. However, we are concerned that the adaptation components of a number of the cross-cutting projects are co-benefits rather than a core component of the project or programme. We continue to seek clarification on how percentages of mitigation and adaptation in cross-cutting projects are accounted for.

We note that three of the private sector funding proposals proposed here are relying on the GCF as anchor equity investor. This is also in line with the GCF’s interest in expanding its share of private equity investments, including those specifically tied to adaptation. However, these engagements highlight that the GCF is still lacking a standalone private equity policy and detailed rules that should govern its engagement with private equity partners. Specifically, there are significant oversight and accountability deficits covering the lifespan of related project/programme implementation, as there are no clear requirements and articulations to secure long-term outcomes and compliance with GCF policies once the often short-term initial engagement of the AE equity investment partners ends.

Given the interrelationship of the climate and biodiversity crisis, we are pleased to see two projects focused on ecosystem based approaches that are a more comprehensive and holistic way of addressing the role of ecosystems in intersecting crisis and respectful of the rights of both people and nature rather than so-called “nature based solutions” that look at the instrumentalization and commodification of the engagement with nature.

Regarding Indigenous Peoples, we are concerned about a reference to there being an “insignificant” number of Indigenous Peoples and/or vulnerable groups where there were tens of thousands. What makes presence insignificant? Any presence is significant. There were also reported cases of misinformation on the presence and involvement of Indigenous Peoples in project areas.

Additionally, we are concerned that the Indigenous Peoples Policy, especially regarding consultation and the requirements for obtaining free, prior, and informed consent, often seem to be overlooked, if not redefined. The GCF IP Policy clearly states that FPIC is an iterative process, and not a one-time activity that is only conducted before the implementation of a project proposal. We appreciate that for some funding proposals AEs have Indigenous Peoples Plans or frameworks; this is not true for all proposals up for
consideration for this board meeting. Ensuring AE’s adherence to the GCF policies including but not limited to the Environmental Social Policy, Gender Policy, and Indigenous Peoples Policy should not be an option, and the GCF must ensure proper representation of Indigenous Peoples and accuracy of information in proposals.

We also think that it is important that the GCF carefully considers the context of where projects are taking place, especially when going into conflict areas or fragile states, and urge the GCF to conduct conflict impact assessment where needed.

Lastly, we appreciate the information that the Secretariat has provided about the number of projects coming back to the GCF seeking restructuring, waivers, or facing potential cancellation, due to issues during implementation. But we would appreciate more information on compliance issues with environmental and social safeguards and the gender and Indigenous Peoples policies, which could provide opportunities for the GCF to learn about the type of actions that work best in different circumstances and could help the GCF improve its portfolio’s impact.

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