

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

Intervention on

## **FP230: Kuali Fund-GCF**

Access the document: <https://www.greenclimate.fund/document/gcf-b38-02-add10>

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We are concerned about the number of ITAP comments on this proposal, including but not limited to the overstatement of the number of beneficiaries and mitigation potential, the lack of expertise and experience of the Executing entity around climate change, and the lack of formal stakeholder engagement. We appreciate the AE's response to the questions raised during the technical session but we remain concerned about the following:

On climate insurance and the issues of affordability and accessibility, the AE responded that Financial Education and Technical Assistance will address this matter to empower the financial literacy of the communities. While these are crucial and equally important, we want to know the plan of the AE to ensure that the project does not end up generating further debts for small farmers and MSMEs.

On country ownership and stakeholder engagement, we appreciate the list of informal consultations conducted and being conducted with select stakeholders in some countries, as shared by the AE during the technical session. However, we wish to point out that other in-country stakeholders such as women, farmers, and Indigenous Peoples are as much as stakeholders as MSMEs and FSPs, and that their priorities and inputs are as crucial in the design and development of the programme.

The Indigenous Peoples Planning Framework is also too focused on how to safeguard Indigenous Peoples from the project's potential risks, but does not speak much about how the program is intentionally going to provide benefits to IPs. The IP policy is as much about doing good as it is about safeguards.

The coherence between the two sides of the programme (debt finance to MSMEs, and equity investments in what it terms "innovative companies") is not clear, and the available details on the technologies, sectoral scope and selection process on the equity side is inadequate. Although the proposal refers to a "technology list" we do not have access to this. Only an illustrative list of technologies is included in the proposal, and while this refers to "electric transport" it is clear from the ITAP report that so-called "fossil-efficient trucks or hybrid vehicles" were initially included in this scope. We welcome the ITAP's covenant to explicitly exclude such fossil fuel vehicles, but are concerned that further problematic technologies might be financed on the equity side. We would like for an explicit technology list to be made available before approval.



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Based on what is listed in the programme documentation, there should be an explicit statement that “smart farming” cannot include financing Genetically Modified Organisms (GMOs). More generally, we are concerned that “smart farming” may promote agricultural practices that could harm smallholder farmers and pose environmental risks.

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