

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

Intervention on

**FP277: ATOME Villeta Green Fertilizer (AVGF)
Project****Access the document:** <https://www.greenclimate.fund/document/gcf-b42-02-add19>

While we support actions which aim to target hard-to-abate sectors, we are concerned that this project's contribution to Paraguay's climate goals is limited because it would displace emissions reductions in Europe—where the production of carbon-intensive fertilizers currently take place—rather than reducing emissions in Paraguay. While the immediate climate rationale for this makes sense, it does not align with the GCF's core purpose of supporting climate action that contributes directly to the adaptation and mitigation goals of developing countries.

Moreover, there is little reflection on, let alone assessment of, the broader climate and environmental impacts of extensive reliance on fertilizer and the support that this project offers to big agribusiness - notably, the offtaker Yara - rather than focussing GCF resources on more transformative agroecology efforts and directly benefiting smallholder farmers who are more vulnerable and in greater need of support. Additionally, the project overlooks nitrous oxide leaks—a greenhouse gas 300 times more potent than CO₂—and the release of fine particles into the environment during the production and use of green ammonia, issues that are still under investigation, including by the project's offtaker, Yara. Finally, the pre-existing socio-environmental problems linked to synthetic fertilizer use—such as eutrophication, soil degradation, and threats to food security—have not been adequately addressed.

Additionally, the Gender Action Plan targets for the hiring of women during construction and operations are only marginally higher than the in-country averages identified in the Gender Assessment, for example setting a goal of 10% of women employed in construction when the benchmark is believed to be 8.6%. While we appreciate the commitment to annual tracking, the operational benchmark for 25% women's employment is earlier mentioned across a five-year timeframe, and we would hope the Gender Action Plan would apply to the 15 year implementation period and contain a series of progressive goals and milestones for reflection, but the current GAP is devoid of any year markers. We do note the plan to update and share the updated GAP with the GCF; we once again ask the Secretariat to publish any updated Gender Action Plans received. The nature of the project's ambition and commitment to transformative gender outcomes is indeed reliant on an update of its targets and outlining of its gender-focused activities across the entirety of project implementation.