

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

Intervention on

Status of the GCF Resources, Portfolio and Pipeline

Access the document: <https://www.greenclimate.fund/document/gcf-b42-inf09>

We thank the Secretariat for providing these data and insights into the resources, pipeline, and portfolio.

On accreditation, we note that the Secretariat is proactively cleaning up the pipeline of Stage 1 accreditation applicants who have stopped communicating, which helps address the backlog of accreditation applicants; we regret that this differentiation of applicants was not pursued sooner or more prominently featured in the discourse on accreditation reform.

The Secretariat's enthusiasm for the project-specific assessment approach (PSAA), which remains a pilot with 3 approved funding proposals, spills over into the balance of reporting in an otherwise concise document that leaves many other details lacking, with the eight paragraphs of text devoted to updates on the PSAA, eclipsing the text on the portfolio and readiness. As the Secretariat acknowledges that the PSAA is [quote] "proving to be a strategic instrument...for enhancing private sector engagement" [end quote], we note with dismay that there is not a mention of DAEs, the broader category that was the original justification for driving this pilot's adoption.

We were also struck by the level of active support reported for the 84 PSAA applicants thus far, including [quote] "targeted information-sharing efforts, provision of PPF support for funding proposal package development, and the preparation of updated guidance materials," [end quote]. How does this impact the Secretariat's capacity to advance other efforts, such as the lingering pilot on Enhanced Direct Access for already accredited DAEs with still five concept notes and five funding proposals in the pipeline that we hope to see brought forward soon, even if the locally-led climate action framework is considered a successor? Given this interaction to guide entities who are coming to the GCF interested in short-term PSAA partnership and not long-term accreditation, how many are indeed now considering or pursuing accreditation? How has this focused energy translated into gains for the GCF outside of the PSAA pipeline?

We remain concerned about the potential for undermining country ownership given the intransparency of the Secretariat's active management processes, including through retiring a large number of concept notes deemed inactive and in guiding and selecting concept notes and funding proposals to move forward at a time of clean-out of the pipeline. With this new

streamlined process for the rapid appraisal of concept notes, Secretariat choices, not countries' priorities, seem to denote and advance the ones with "high-potential proposals" to secure GCF funding.

On readiness support, noting its overall growth, we are interested to get more information on potential barriers and limitations for the at least 20 countries which have not yet received National Adaptation Plan support through readiness, versus the 121 countries that have, noting the presentation has updated the number from the report.

Lastly, in light of some calls for streamlining documentation and reporting, we again highlight the importance of transparency as a measure of accountability for these public funds, as well as the value of having comparable information and data across reports over time, especially given the Board's oversight functions as established in the Governing Instrument. In many instances, additional disaggregated data would prove useful.

For example, we'd like to see a regularly reported breakdown of the DAEs, currently 64% of accredited AEs, by the number with approved funding proposals, those with FPs in the pipeline (noting if any have been inactivated), those with concept notes in the pipeline, those with PPF support, and those with readiness support, with indications of where those intersect. We'd also like to see a regular annex reporting the ex-ante and ex-post co-financing ratios for all projects and programmes now under implementation, as the Secretariat is citing 2.8 times the GCF's investment based on estimates from the funding proposals, with categorization of whether co-financing or mobilization is on-track or lagging. The latter would be especially important with respect to equity financing for private sector investments, which the report notes has grown as a slice of the pie, but there is not a commensurate increase in transparency on how those investments are faring in realizing high leverage ratios claimed at the time of funding proposal approval.

Without this increased detail, it is difficult for the Board and the public to have oversight and understanding of this Fund.