GCF WATCH

43rd Board Meeting of the Green Climate Fund

October 27-30, 2025, Songdo, Incheon, Republic of Korea

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

FP283: Glaciers to Farms (G2F) Regional Program: Advancing Climate Resilience & Sustainable Development in Central and West Asia

Access the document: https://www.greenclimate.fund/document/gcf-b43-02-add17

We recognize the importance of addressing climate change-induced glacier and snow melt, and its upstream and downstream impacts, especially on food production, food security, and the livelihoods of people and communities in the Central and West Asia region, as well as in the nine countries involved in this programme. However, we are skeptical that some of the core outcomes that the programme claims it will provide will be achieved, specifically ensuring that agricultural MSMEs, which form the backbone of food production and employment for the region, benefit as suggested from this programme by having increased access to climate finance.

Only about 49 million USD in grants (and about 20 million USD in GCF grant funding) and thus just 1.4 % of the envisioned overall programme envelope of 3.5 billion with ADB co-financing, will be invested in Component 3 on increasing access to finance, despite the programme description arguing heavily for the necessity to support agricultural MSMEs, including many of the micro enterprises owned by women, who play a huge role in safeguarding food security in the region. However, these actors will not see any money from this programme. There is no intention to provide direct financing to MSMEs or concrete capital deployment pathways to support them. Instead, this money is focused exclusively on capacity building, ultimately the future capacity of MSMEs to borrow, but without assessing MSMEs' ability not only to borrow but to repay.

We find ADB's written response to our question on this quite cynical, saying that this focus on capacity building and enabling mechanisms rather than providing direct financial intermediation or on-lending to agri-MSMEs is intentional and "central to the GCF's catalytic role in establishing sustainable financial ecosystems rather than being a primary lender." We sharply disagree, as should the GCF, which has supported financing for many projects, not the least under its MSME pilot program, where the direct, concessional lending to MSMEs, with a focus on ensuring the concessionality is passed through to end beneficiaries, was touted as a catalytic and transformational use of GCF scarce concessional resources.

It is thus telling that while the ADB argues that it needs the concessionality of the GCF to lower its own risk of investments in the adaptation activities under this programme, acknowledging that those often do not generate the needed return on investment, the same is not true for MSMEs here. The GCF concessionality is not passed on through direct financing access to smallholders to lower their risk of borrowing. Instead, their future borrowing, at a scale and at a secured concessional rate that is not defined as an intended outcome of this programme (even if the ADB commits to simply report on potential future finance mobilized for lending to agricultural MSMEs) is likely at market rates. The agricultural MSMEs, who should be the current beneficiaries, are thus carrying the risk that the ADB is itself unwilling to carry.

The programme also does not include a target for women farmers' future access to climate finance, other than claiming that it will build the capacity of financial institutions to embed gender-inclusive Environmental, Social, and Governance (ESG) standards into the credit criteria of local financial institutions ESG criteria in the absence of concessional prioritized lending are not sufficient to ensure financial inclusion of women farmers.

Instead, the bulk of concessional GCF resources under this programme will be devoted to multi-sector sovereign investment loans for 20-30 sub-projects, which have a heavy focus with close to 2 billion USD on building water management infrastructure, including large irrigation dams, with all the environmental and social risks that such Category A projects carry. While there is an indicative allocation across sectors in sub-project identification and design, with a smaller share of funding also proposed for investments in health and social safety net measures, we are concerned with the ADB's admission that the "health and social protection projects are limited at the time of full proposal preparation" and the fact that these measures are scheduled to receive the least amount of grant support. We want to reiterate that health and social safety net investments are equally necessary to build the resilience and safeguard the livelihood of the affected populations in the region and are of special importance for truly gender-responsive investments. Their underdevelopment at this stage, compared to infrastructure projects, unfortunately, feels indicative of the larger direction of this programme, where the actual activities do not operationalize the supposed focus on the well-being of the affected populations.

Lastly, we are not assured by the ADB's clarification on its statement that "at least 60% of Glacier-to-farm projects approved each year would fulfill the ADB's GEN/EGM gender criteria. This would leave up to 40% of annual projects under the programme, which, according to the ADB's own classification, would require a gender assessment, but not a project-specific gender action plan. We would like to seek confirmation, and a clear condition to this effect, that in line with the GCF's gender policy, all sub-projects under this programme, irrespective of the ADB's own gender categorization, will be required to have a sub-project specific gender action plan. While the GCF's provision of just 7% of the overall financing envelope for the programme makes it the junior partner in this blended finance relationship, the GCF's standards under its ESP, gender, and IP policies should not take a subordinated role.