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

FP285: GEF Latam Climate Solutions Fund IV

Access the document: https://www.greenclimate.fund/document/gcf-b43-02-add19

We would like to raise a number of concerns regarding the PSAA proposal for FP285: GEF Latam IV private sector programme, which unfortunately is another example and illustration for how under the PSAA approach already severely insufficient due diligence for programmatic approaches - in the continued absence of such a policy – is further eroded.

As with other programmatic funding approaches, there are significant uncertainties on the potential results of the programme, as there is no defined sub-projects pipeline and only general indications of some of the sectors and activities. This lack of clarity rather makes the programme's adaptation and mitigation impact largely an assumption, while making it hard to assess the social and environmental risks that might emerge from its implementation. On this same note, the programme provides an insufficient assessment of social and environmental impacts. While the PSAA applicant indicates that the programme will not fund high-risk activities, the proposed portfolio includes sectors such as agriculture and biofuels, which oftentimes -particularly the latter- carry substantial environmental risks. In fact, the ITAP has highlighted the absence of a robust ex-ante assessment of indirect land-use change, which could result in serious negative impacts on biodiversity and forest in highly vulnerable biomes as those of the Amazon and the Cerrado.

In addition, we are concerned that the Fund's structure through offshore entities in Canada and Luxembourg and its management by a private fund manager (GEF Capital Partners) raises questions about transparency, public oversight, and accountability for GCF resources. As it has become a common practice for programmatic approaches, the Gender Action Plan delivered at this point remains largely vague, while there is no guarantee that subproject-specific gender actions plans will be either delivered or disclosed. Furthermore, its proposed activities are largely limited to corporate indicators such as the number of women in technical and leadership positions, while failing to address issues related to the potential gendered impacts on the communities affected by the subprojects. We also find deeply problematic the lack of a clear strategy for community consultations, at least as evidenced from the documentation available to us, which leaves in doubt whether stakeholder engagement will happen and at what quality and thus undermines core principles at the heart of country ownership and country-driveness.

Furthermore, as noted by the ITAP, the justification for GCF's participation and the additionality it provides is weakly supported, with the programme's portfolio to be developed on an already mature investment landscape, as well as the dependence on the fund manager's capacity to originate, execute, and add operational value to portfolio companies.

To this end, the participation of the Fund appears to be additional mainly in its signaling role and in helping to overcome structural bottlenecks such as high perceived risks, underdeveloped disclosure standards, and weak exit pathways, rather than in providing capital that would otherwise not be available.

The insufficient social and environmental risks assessment, a weak Gender Action Plan, and the lack of a clear strategy for community consultations, its weakly justified potential of adaptation and mitigation impacts, as well as the uncertain additionality of the GCF's participation altogether evidence the lower standard against which PSAA proposals are being held, ultimately putting the rights of communities and the use of the scarce funds available at risk.

For these reasons, we sincerely doubt that this PSAA private sector programme is a good use of GCF's scarce concessional funding and would therefore invite the board not to approve this proposal.