

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

Intervention on

FP293: Food Securities Fund Accountable Cocoa and Coffee Tranche (FSF ACCT)

Access the document: <https://www.greenclimate.fund/document/gcf-b44-02-add09>

Note: An earlier version of this document referred to FP293 as a SAP proposal. This has since been changed to reflect its recategorization to a Private I-3 proposal.

Our principal concern relates to its Intermediation-3 risk categorization. The injection of additional capital into agricultural value chains, especially in cocoa and coffee, can enable harmful activities, such as agriculture-driven deforestation, thus, we question the programme's activities categorized as having "no harm", since providing finance cannot be separated from the potential harm the investment may cause.

As a **private I-3** proposal, no environmental and social impact assessment was required, and no documentation was required for the fund's Environmental and Social Management System. The I-3 categorization also means the non-disclosure of information on subprojects, as the only way subproject information is shared ahead of time is through ESS disclosures. The Secretariat also noted that the PSAA applicant only partly meets the GCF Revised Environmental and Social Policy, interim ESS standards, and Information Disclosure Policy.

Also, inability for any public insight into subprojects until after the fact is particularly worrisome, considering the ITAP's proposed condition to *"Establish a technical assurance "sign-off" protocol. The TAF governance structure should require formal technical review and "sign-off" by independent scientific partners for each subproject's climate-informed due diligence and baseline setting."*

We implore the Board to reflect on ITAP's comments. They rightly highlighted that internal capacity building of technical experts and teams within countries is preferable to relying on reactive, task-specific, transactional engagements with a small pool of experts. Furthermore, we agree with the recommendation to institutionalize a capacity-to-deployment milestone to ensure that a fully operational technical team accompanies the initial disbursement.

In the Gender Action Plan, we are disappointed to see that, after 15 years, the target for full-time and part-time workers in climate-resilient value chains is only 20% women. No baseline data is provided within the Gender Action Plan, yet the gender assessment reveals that in the FSF, 49% of the borrowers' employees are women, as there is annual tracking of gender-related KPIs. When looking specifically at full-time employees, the FSF has achieved 25% women among borrowers, already eclipsing their 15-year goal outlined in the Gender



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Action Plan. Notably, this will not be the first time the Board has approved a PSAA applicant with related experience who set forth lower targets than their previous fund, but an approval without comment deepens the backtracking on ambition to claim achievability, making a mockery of the Gender Action Plan process' ambition.

Instead of setting forth some immediately achievable targets so as to tout one's gender credentials, we would like to see more GAPs demonstrating credible efforts to address gender disparities. In the FSF, borrowers also routinely report training of women employees and policies they have instituted for a supportive workplace, such as maternity leave and access to childcare, yet these important qualitative measures are unmentioned in its Gender Action Plan.

Further, the proponent recognized the current lag in meeting its 2030 target in the FSF of 50% of its farmers being women. Correspondingly, though percentages are conspicuously absent in the actual Gender Action Plan, elsewhere the proposal states that 20% of the project's direct beneficiaries will be women. Over a 15-year timeframe, with a current 2024 baseline of 16% women farmers in the Food Securities Fund, 20% does not seem to be a realistic readjustment based on recent experience but instead a way of using the Gender Action Plan to codify an anticipated current trajectory, failing to leverage the opportunity a GAP poses for setting forth a plan to achieve ambitious change.

We are cognizant of the proposal's strengths, just as we are aware the people of these countries should be ensured to reap benefits to the fullest while this proposal advances urgently needed climate action.