



## 44th Board Meeting of the Green Climate Fund

March 25-28, 2026, Songdo, Incheon, Republic of Korea

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

Intervention on

## FP297: CC Asia Climate Fund (CC-ACF)

Access the document: <https://www.greenclimate.fund/document/gcf-b44-02-add13>

Though we recognize the climate vulnerabilities and needs of Kazakhstan, Mongolia and Uzbekistan, we find several elements of this funding proposal problematic and have significant doubts about this programme's ability to deliver significant climate results, foster a paradigm shift or provide substantial co-benefits as claimed.

The programme is a PSAA put forward by CC Global Services Limited Holdings (CC GSH), a wholly owned subsidiary of CITIC Capital Holdings Limited (CCHL). CITIC Capital was co-founded by CITIC Group (China's largest conglomerate) and significant shares are still owned by the Chinese State, as well as by the Qatar Investment Authority. In short, it has extremely well-resourced backers, so it is surprising that the ESG Group within CC GSH, which is responsible for the investments and central to the governance, is portrayed at numerous points as a small entity with limited capacity for oversight.

The Secretariat assessment falls far short of applying equivalent standards to those applied to regular accredited entities. Notably, the governance structure appears to be incredibly weak with no separation between deal sourcing, due diligence and ESS checks, and monitoring. The investment committee comprises 2 people, and the group managing the fund consists of just 5 people who would all be "actively involved in deal sourcing, due diligence and monitoring." Why can CITIC Capital, which boasts of US\$14 billion in assets under management, not arrange the governance of this Fund in ways that ensure that it dedicates sufficient inhouse expertise to due diligence, ESS risk assessments and ongoing monitoring, while at the same time ensuring that the same staff working to achieve financial returns are not additionally also tasked with assessing the ESS risks? Furthermore, how would conflicts of interest be accounted for? State finance institutions and sovereign wealth funds are anticipated to form a significant share of the co-financing, but these types of entities are also the beneficial owners of CITIC Capital and, by extension, its CC GSH subsidiary.

This failure to separate out investment decisions from due diligence is even more of an issue because there is no evidence that climate considerations would have primacy in investment decision-making if there is a trade-off between financial performance and climate. ITAP notes that this "creates a familiar risk in commercially oriented funds: that projects with strong financial returns but marginal climate benefits could be advanced, while opportunities with potentially higher mitigation or adaptation value but more modest economics may be deprioritized."

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This issue is compounded – as usual with investment funds of this nature – by the fact that there is no clarity on the composition of the pipeline or distribution between sectors and geographies, which means that any adaptation/mitigation and co-benefit claims written into the proposal at this point remain speculative.

The climate, environmental and social track record of CITIC Capital Holdings does not inspire confidence either. There are no dedicated E&S staff within the ESG Group – something that the GCF would typically expect of far smaller entities engaged in lower risk activities – and even though some prior E&S investment is reported, it is acknowledged that no independent E&S risk audits have ever been conducted.

The entity also has no track record of integrating gender consideration in its existing funds. The gender analysis included in the proposal is fairly generic and lacks details, and the gender action plan does not inspire confidence. For example, it states that leadership in implementing the gender action plan would be “provided by the CC GSH ESG Team”, but this 5 person ESG Team does not seem to contain any E&S or gender specialists or have experience at implementing gender policies. The GAP does suggest that budget would be made available for a “Senior Gender Specialist & country focal points (salary & overhead)” but it is not clear if this would be a dedicated staff position (at minimum, it should be a dedicated gender/E&S specialist) and where this new staff member would fit in relation to the governance structure.

There is no commitment to ensure companies in the investment portfolio make gender commitments. The GAP simply states that “The Fund *may encourage* portfolio companies, *where feasible*, to adopt inclusive practices (e.g., gender-sensitive consultation, non-discrimination policies, and sex-disaggregated data)” and, alarmingly, does not even commit to ensure that investee companies conduct SEAH training. The actual metrics for gender action are very weak and largely involve a fairly minimal level of reporting, while the only firm commitment is for a very modest decrease in the gender pay gap of investee companies by year 5 of the investment. No other commitments are made to advancing gender equality. The GAP looks totally inadequate.

There is also a potential concern regarding the level of concessionality granted by the GCF. While the financing information in the proposal suggests that the “GCF first loss tranche would only apply to private investors” and “will not cover MDB or SWFs’ contributions”, we are concerned by the statement in the ITAP report that “class B investors [which are the MDBs, DFIs and SWFs that would form a large and likely majority share of the co-financing] are not protected from losses *but remain senior to GCF.*” It is not clear from the publicly available details what this entails, and if and why it would be the case that these investors are senior to the GCF.

Finally, with 10 -12 growth stage investments spread across such a wide geographical area, combined with the limited direct participation of domestic financial institutions and investors,



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we are not confident that the programme can lead to sustained changes in local investment behavior and or reduce reliance on foreign concessional capital.