

## **FP302: EcoEnterprises Partners IV**

**Access the document:** <https://www.greenclimate.fund/document/gcf-b44-02-add18>

While the PSAA applicant EcoEnterprises can claim a history of 25 years of investments in nature-based solutions for SMEs, the proposed fund IV is a significant upscaling in size and scope as the suggested overall fund size with USD 150 million is about the same as EcoEnterprises' three predecessor funds put together. It is not convincingly clear from the PSAA applicant assessment that EcoEnterprises has the adequate frameworks and structures to operate at this scale.

According to the Secretariat's assessment, it has no internal audit function, a two person E&S team has no history of reporting on E&S risks and it lacks a dedicated gender policy and IP policy. The lack of a stand-alone gender policy is very disappointing since a programme level gender action plan is no substitute for governance structures and priorities that cover the whole entity. Instead, the Secretariat touts its ownership as a women-led and owned-fund, but this alone does not guarantee the ability to implement in a gender-responsive way and oversee a gender-responsive investment portfolio and indeed some weak commitments in the programme's proposed gender action plan highlight that concern. Overall, very little money – and all coming from the GCF-grant funded Technical Assistance Facility (TAF) to be set up - is allocated to unambitious gender activities, such as committing to “3 TA projects in portfolio companies focused on professional development for women” by 2035. In this context, the ITAP voiced the concern correctly that the TAF could be a GCF-sponsored substitute for core management functions. These are institutional capacities and frameworks that a fund manager of this scale and mandate should already have in place before seeking GCF funds, as it is the case with Accredited Entities, not gaps to be filled by the very grant resources the fund is requesting.

As a private equity fund, the climate impact of its estimated 8 - 12 investments in a variety of sectors and technologies cannot be assessed ex ante, as noted by the ITAP, as its actual portfolio composition could very well deviate from illustrative assumptions used in the submitted proposal.

Because the contribution of the GCF to the EcoEnterprises Partners IV Fund is ringfenced in a separate fund (which adds to the complexity of the set-up), most of the Fund's capital will be deployed in non-NOL countries, with the resulting investment impacts not benefitting the GCF, while still the entire fund is claimed as mobilized finance thus overstating the impact of the GCF's funding commitment.



## 44th Board Meeting of the Green Climate Fund

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

We are as concerned as the ITAP about a lack of additionality, as the proposed fund already seems overly reliant on concessional and development oriented capital, as well as the proportionality of support, namely the quite large anchor investment by the GCF with USD 30 million in equity (or 20% of the overall investment). This weakens the argument of the programme proponents that the support of the GCF is needed for a “catalytic effect”.

The suggested investment approach that seems to be more impact investment oriented than climate-aligned, and the investment in 8-12 individual projects in several countries and sectors further undermines the claim for a transformative and paradigm shifting contribution of this proposed fund. One of the criticisms voiced by the ITAP is indeed that climate considerations are not structurally embedded as binding for the investment decisions, so it is quite likely that maximizing commercial profitability will win over maximizing climate impacts individually and for the entire portfolio, in line with a largely business as usual approach. In this context, we share the assessment by the ITAP that the TAF is more focused on consistency of reported outcomes than on ex post performance enhancement.