GCF WATCH

46th Board Meeting of the Green Climate Fund

October 26-29, 2026, Songdo, Incheon, Republic of Korea

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

Intervention on

Consideration of Funding Proposals

Access the document: https://www.greenclimate.fund/board-document/gcf-b46-02

Once again, we note the predominance in this funding batch, as well as the portfolio, of programmes with unidentified subprojects or pipelines shielded from public view, prompting many familiar questions about how, where, and when the potential impact of these programmes will be realized. And all of this happens in the absence of a policy on programmatic approaches, despite programmes being the majority of the GCF funding support requested here – 8 presented today amounting to USD 1.3 billion – and programmes also being the majority share of the portfolio.

We remain concerned that many of these subprojects may also represent repackaged business-as-usual investments, avoiding scrutiny of their claimed climate impact, further compounding the concerns regarding emissions reductions calculations, given reporting on recalculations necessary across much of the portfolio as highlighted in the Third Performance Review: Summary Report.

While we note some important adaptation efforts in this batch of proposals, we have grave systemic concerns regarding shifting standards, fiduciary risk and PSAA arrangements, financial modalities, and safeguard implementation.

Our first concern is on financial modalities where there seems to be a normalization of complex financial arrangements and blending facilities with loans, blind pool investments, guarantees, and other similar instruments across multiple projects and programmes. This is worrisome as it strays away from the very mandate of a Fund and instead has the GCF acting like an investment bank. The GCF must preserve and scale up the use of grants so as to ensure that communities and project areas are not suffocated by unsustainable debt and financial liabilities.

Second, environmental and social safeguards continue to be treated as just a checklist rather than a non-negotiable, documented in a rigorous annex. Several proposals suggest consulting the Indigenous Peoples Advisory Group once Indigenous Peoples are identified. We reiterate that IPAG advises on larger systemic issues, serving as an advisor to the secretariat, the Board, the AEs, and other relevant units, as needed and cannot review all funding proposals. Engagement with the IPAG does not substitute for the requirement of obtaining Free, Prior and Informed Consent in all GCF programming, including subprojects, prior to implementation. Securing FPIC and ensuring safeguards and due diligence remain the

primary responsibility of the Accredited Entity**.** This is especially crucial now that the GCF has started receiving proposals under its new REDD+ framework.

Similarly, there is a profound disparity with often insightful Gender Assessments conducted, and the findings undisclosed and unaddressed in the respective Gender Action Plans. Nor is there re-integration or uptake of relevant recommendations in project design or implementation arrangements in the main funding proposal.

We also notice the normalization of the inclusion in GCF funding proposals of carbon market elements, and are deeply concerned by the carte blanche acceptance of carbon credits. What was once recognized as an inappropriate financing of nature is now greenlit and encouraged despite the mounting evidence that carbon credits have largely failed to achieve what they claim and with the only concern the avoidance of "double counting" by retiring such credits supported with GCF funding, instead of avoiding them as false solutions. The latest focus on the blue economy as a source of commodification seems poised to follow the same trend of exploiting that which was supposed to be protected by GCF funding.

We also would like to once again call out the use of concepts such as "climate-smart agriculture", promoted without any agreed definitions or any exclusion of harmful technologies and often including an overreliance on capital-intensive inputs such as hybrid seeds. This puts local and smallholder farmers and other agricultural groups and communities at risk of being caught in debt loops.