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

FP313: The Africa Sovereign Climate Facility (ASCF)

Access the document: https://www.greenclimate.fund/board-document/gcf-b46-02-add06

We have significant concerns about FP313.

We know of no precedent for a programme composed mostly of high-risk Category A sub-projects of up to US$75 million, which poses significant transparency and accountability risks.

And while it is difficult to fully assess a proposal that sets out only an "illustrative pipeline", we already see several issues.

For example, no climate vulnerability assessment has been provided for the US$65 million Chicomba Water Dam in Angola, a proposed adaptation investment. Nor do we know basic due diligence criteria such as the dam height, reservoir area, hydropower capacity or the scope of consultation with the potentially affected population.

A second example is a 34 million EUR solar farm in Benin, which ITAP finds "financially viable without GCF concessional finance", with emissions reductions over-estimated by about 40 per cent. AFC's indirect interest in this solar farm through ARISE Integrated Industrial Platforms was not declared until ITAP identified it, and the GCF investment in ARISE IIP through FP205 is still not properly accounted for. Although the loan would go to Benin to pay contractors, the solar farm's purpose is to power an industrial zone majority-owned by ARISE IIP, so that is where the main economic benefits flow. This seems a bad use of concessional climate finance and a bad deal for Benin.

The proposal also included the "Corimba" subproject in its potential pipeline, described as offering "resilient infrastructure" to protect "vulnerable urban populations" despite a history of forced evictions and potential for further displacement. We welcome re-confirmation that it will not now be financed, but the example illustrates the risks of advancing a programme of sizable category A infrastructure sub-projects with so little transparency.

We also echo ITAP's concerns about the loan terms, including the lack of transparency on how much of the GCF's concessionality is passed through to borrowing governments. While loan terms were clarified in the technical session, the pricing and fees of the AFC tranche

were not, so it remains unclear what the blended cost is to each borrowing government and how much concessionality actually reaches them.

GCF also takes most of the long-term sovereign default risk while AFC earns a commercial return. This unprecedented arrangement – one of the grounds for ITAP's non-endorsement at B.45 – seems a poor use of GCF financing.

GCF concessionality should reduce countries' indebtedness, not merely de-risk AFC's commercial lending.

In short, this is a very risky programme with potential to cause environmental and social harms. If approved, it should be financed in tranches rather than in full, allowing further scrutiny before full disbursement, with enhanced due diligence including stakeholder consultations and the circulation of sub-project details before approval.