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

FP317: Blue Halo S - Blue Ecosystem Adaptation Mechanism (BEAM)

Access the document: https://www.greenclimate.fund/board-document/gcf-b46-02-add10

While we support the objective of addressing climate threats faced by coastal communities in Indonesia's fisheries management area, we raise serious concerns regarding the project's safeguards, governance, and equity provisions. This project model risks imposing resource restrictions, tenure insecurity, or debt on climate-vulnerable communities while building infrastructure for potential marketisation.

We echo ITAP's recommendation to require the submission of polygon maps that visually delineate the project's scope within the protected areas. Additionally, progress towards the 1.29 million ton mitigation outcome must be verifiable through recalibrated assessment of the GHG emissions reductions, along with corresponding monitoring and reporting mechanisms.

Our support is strictly contingent on the following:

A. The baseline Gender Assessment reveals that 80-90% of female fishers and post-harvest processors are unrecognized in official systems. The GAP relies heavily on voluntary sub-grant proposals without protected budget lines. The AE must mandate protected, dedicated Component 2 funding for women-led blue enterprises, establish non-discriminatory grant eligibility without prior KUSUKA registration, and lead policy dialogue with the government to officially reclassify fisherwomen in national databases.

B. While the project is currently grant-funded, it establishes all the technical, regulatory, and data infrastructure—including remote sensing, SNI mapping protocols, MRV systems, and direct policy coordination with the government's Carbon Economic Value Governance body—that can enable these blue carbon assets to enter commercial carbon markets later. To prevent future carbon offsets and market speculation, we mandate that the AE and EE explicitly communicate and commit—not only to local communities, but to all national, provincial, and sub-national government partners throughout implementation—that the blue carbon ecosystems restored under this public grant will remain strictly non-market public goods, guaranteeing they will not be commodified, privatized, or entered into carbon

credit trading during or after the project lifespan.

C. Given that Indigenous Peoples were explicitly excluded from the baseline assessment due to 'resource constraints' and total Indigenous populations remain uncounted, deferring FPIC to post-approval site screening is unacceptable. We mandate that site-specific Indigenous Peoples Plans and verifiable FPIC be obtained before any legal gazettement of new MPA boundaries or enforcement of no-take zones. The Steering Committee should also ensure a seat and participation of Indigenous Peoples and other affected communities.

D. Establishing and expanding over 3.7 million hectares of MPAs and enforcing quota-based harvest controls will immediately restrict near-shore fishing by small-scale fishers. The EE must establish non-repayable transition safety nets and direct financial buffers during the initial years of MPA establishment to insulate artisanal fishers from short-term income loss and food insecurity before ecological spillover benefits materialise.

E. Graduating community sub-grantees into government microcredit without climate-shock protections creates severe debt-trap risks during extreme weather events or fish stock declines. The EE must establish binding loan distress protocols, flexible grace periods, and emergency relief mechanisms for all smallholders.

Therefore, we request the Board to incorporate these five requirements as explicit, binding conditions within the official text for FP317.