GCFWATCH

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

FP319: Matanataki Pacific Fund

Access the document: https://www.greenclimate.fund/board-document/gcf-b46-02-add12

We acknowledge the intent of the locally-led blended finance impact investment fund to bridge an existing finance access gap in the Pacific, particularly in suggested cooperatives, and businesses owned or led by women and Indigenous Peoples in Fiji, Tonga, and Vanuatu, including cooperatives, and businesses owned or led by women and Indigenous Peoples. Considering the businesses' development stage and/or ownership structure, these SMEs usually do not have the collateral or capital to qualify for and back traditional bank-lending, thus would need support to bridge this gap.

We particularly appreciate that the proposed investment fund endeavors to use different financial instruments to match the development stage of the local businesses and plans to invest in a way that supports growth, wealth transfer, and local ownership once the equity investment of EPE ends. The financial instrument design moves away from the profit-investment-oriented and one-size-fits-all equity instrument approaches that often don't prioritize social, environmental, or equity and access concerns, and include some of the weaker investment prospects as an illusion of diversity rather than as intent. Focusing on impact that is defined locally instead of in terms of a leverage ratio is something that most of the equity fund proposals that come to the Board could do more, as even the ITAP acknowledged.

We also share the concern of the ITAP that the developed indicative portfolio SMEs are too heavily concentrated in Fiji, while only a minimal portion of the requested GCF funding is currently envisioned to be directed to Tonga and Vanuatu, or might not happen at all if the fund closes early. Ensuring SMEs in both countries would also profit, even if at a lower percentage, should be a clear requirement, and it is welcome that EPE has committed to this in its responses to the ITAP.

This investment fund intends to target at least a third of portfolio investees to be women-led or majority women-owned and should strive to reach more, given that the lack of financial inclusion is greatest for those SMEs, and commits through its Gender Action Plan to increase women's leadership to at least 30% on boards and senior management. The fund should strive to surpass those targets if it is true to its goal of applying a gender lens in all investment decisions.

Likewise, we welcome the proposal's clear demonstration of country ownership. EPE is well-versed in initiatives to address finance access challenges in the Pacific SIDS, working

with local private sector actors. Further, they have committed to the empowerment of Indigenous and local knowledge in cascading adaptation actions in the countries involved, a central feature of the fund's investment criteria.