GCFWATCH

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

Intervention on

# FP322: Climate Resilient Landscapes in Central Asia

**Access the document:** https://www.greenclimate.fund/board-document/gcf-b46-02-add15

We acknowledge the proposal's aim to strengthen ecosystem functions, water and soil management, agricultural productivity, market access, and rural livelihoods while avoiding emissions and increasing carbon sequestration.

We also raise as a point of caution on the payment schemes for the EIB loan financing, especially if these will be passed on to beneficiary countries. The core principle of grants-based climate finance delivery should guide GCF funding arrangements with country partners.

Additionally, we echo ITAP's views on challenges that may arise from a transboundary approach, anticipating the scale of institutional distance that may form between the AE and the designated EEs in the countries involved, with multiple stakeholders at different levels also coming into play in monitoring the status of project activities.

However, before this proposal is approved, several critical safeguards, including gender, financial, and legal governance gaps must be addressed to protect local communities.

First, the ESIA categorizes GCF Safeguard ESS 7 on Indigenous Peoples as 'Not Applicable', procedurally re-classifying highland pastoralists and border communities purely as 'vulnerable groups' under ESSs 1 and 5. This replaces FPIC with non-binding consultations, removing the legal authority of traditional herders to withhold consent over customary pastures. Furthermore, reliance on 'voluntary land contributions' for small infrastructure lacks clear protection against potential land grabbing and coercion.

Second, the gender assessment notes women performing up to 59% of agricultural labour due to male migration, however, the Gender Action Plan sets only 30% women's representation target in capacity-building and decision-making bodies. Moreover, because men hold over 80% of formal land titles, women-owned farms risk structural exclusion from matching grants and credit lines requiring formal collateral.

Third, under Component 1 , the proposal improperly diverts public GCF grant resources, which are strictly meant for urgent, direct climate adaptation, to establish carbon market regulations, national registries, and offset pipelines for international buyers. Framing carbon

trading as 'innovative climate finance' creates severe structural risks for vulnerable rural communities while treating Central Asia's ecosystems as low-cost offset tools for external polluters.

Imposing complex soil carbon verification standards like Verra's across thousands of small, fragmented *dehkan* farm plots introduces prohibitive ongoing sampling and auditing costs that will easily swallow smallholder returns and could trigger institutional collapse once GCF grant funding ends. National laws governing carbon rights remain unfinalised in Kyrgyzstan and Tajikistan, thus, monetising carbon on communal pastures and state forests risks centralized revenue capture by Ministries of Finance and state agencies, stripping financial returns away from the very herders and farmers doing the physical land restoration work. Ultimately, commodifying soil organic carbon and forest ecosystems exposes fragile landscapes to market volatility and false climate solutions. Public GCF grant funds must be dedicated entirely to direct, non-market community adaptation and food security—not carbon market speculation.

Lastly, while we appreciate that smallholders receive grants rather than loans, the EUR 120 Million EIB concessional loan channeled to local commercial banks risks high interest markups for local agricultural MSMEs.