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

FP327: eB Capital Energy Transition and Climate Solutions Fund II

Access the document: https://www.greenclimate.fund/board-document/gcf-b46-02-add20

We have several concerns regarding FP327.

First, the PSAA applicant eB Capital has a limited track record, no audit committee or internal audit function, no documented complaints procedure, and an ESMS "not yet implemented across a full investment cycle." Yet the Secretariat rates its capacity "High" without conditions – an apparent double standard for PSAA private sector entities.

There are also significant shortcomings in the impact calculations. Two of the eight indicative deals account for most claimed emissions reductions yet the proposal gives them only a 20% and 30% chance of closing.

One illustrative deal, presented to GCF as investment in an underfunded "missing middle" firm, is marketed to investors in very different terms, leading ITAP to question whether the proposal is merely "retrofitting an already bankable transaction with a climate narrative".

The eligible and ineligible activities lists are only "illustrative" and, with investments unknown in advance, their risks cannot be assessed.

Emissions counting is also a concern. The applicant claims 100% of investee companies' emission reductions despite GCF's expected holdings being under 20%.

There are no climate covenants or monitoring obligations on buyers after exit, so claimed climate benefits could later be reversed.

As ITAP points out, if investees sell carbon credits or fall under Brazil's new emissions-trading cap, "GCF's attributable climate result could fall to zero."

Projected adaptation benefits are similarly vague, with a poorly defined resilience metric.

The programme's scope also includes potentially risky project types, such as "chemical recycling" and waste incineration. Chemical recycling usually means pyrolysis, a form of waste burning that largely produces fuels rather than new plastic and can emit hazardous air pollutants and greenhouse gases.

Processing waste into alternative fuels for cement production – the goal of "Company D" in the indicative pipeline – is often carbon-intensive with significant local air pollution impacts, and depends on a steady waste supply, undermining waste reduction, recycling and the livelihoods of waste pickers. More broadly, the proposal threatens waste pickers and other informal workers, yet the applicant has declined to track any indicator for their integration into formal value chains.

This PSAA proposal also risks eroding the gender standards expected of AEs: neither eB Capital nor eB Climate has a stand-alone gender policy. The Gender Action Plan's only quantified target is that 30% of candidates considered for portfolio-company boards are women, and even this may be hard to achieve without a dedicated capacity-building budget.

In short, given the relative lack of transparency and accountability, the poor justification for concessional resources, inflated and unevidenced impact claims, and the absence of any gender policy, track record or meaningful targets, we see no compelling case for approving this programme.