

African Civil Society Communique on the Green Climate Fund's Second Replenishment (GCF-2)

Niamey, Niger: February 26, 2023

The African civil society convened a meeting whose participants were drawn from diverse backgrounds across the continent, and specifically under the **GCF- CSOs Readiness Project Africa**, to reflect on country-level results from the monitoring and evaluation processes undertaken under the Project over the last two years.

Organised by PACJA, Care International and Germanwatch, the meeting took place on February 25, 2023 in Niamey, Niger, on the side-lines of the 9th Africa Regional Forum on Sustainable Development (ARFSD-IX).

The reflections aimed to draw joint recommendations for improving the quality of GCF-funded programs in Africa, as well as the transparency and accountability of the GCF processes and Projects.

Disappointed by the first replenishment period under which the GCF underperformed in climate funding mobilized, inaccessible funding mechanisms by poor and less developed countries, extremely low trickle-down of funding to frontline communities and widespread inaccessible information that compromised on accountability.

The GCF has had an initial resource mobilisation (IRM) and a first replenishment (GCF-1). The IRM in 2014 raised USD10.3 billion in pledges. Of that amount, USD8.3 billion were confirmed and finally USD7.2 billion were available for commitment during the IRM period, after accounting for changes in exchange rates. GCF-1 had raised, as of August 2022, USD 10 billion in pledges, with over 70 percent of contributors increasing their pledges in national currency compared to the IRM period, and half of the contributors having doubled their pledges or more. Notably, the United States of America did not pledge any contributions to the GCF for its first replenishment. 100% of the pledges made for GCF-1 were confirmed amounting to USD 9.87billion equivalent

Concerned about the parameters of consideration by GCF in capacity assessment processes which constrain access to funding to local institutions, including community owned entities, creating dependence on international intermediaries and limit locally-developed solutions in adaptation.

This is visible when looking at the current GCF portfolio dashboard, which shows that 76% of approved projects and programmes were presented by international access entities (IAEs)¹

Appalled by the growing contribution of GCF to global inequality as large amount of GCF funding (66 percent of all GCF funding) flows through just a few (five) large multilateral entities to fund projects that are not even elaborated at country level.

Further deeply appalled by the realization that there are no substantive changes made at GCF level in policy, architecture and institutional changes to address inequality in access of GCF funding while impacting on inequality landscape in response to climate change in this second replenishment and that the second replenishment period is another partying lease for large multilaterals.

Less than 10% of funding committed under international climate funds to help developing countries take action on climate change is directed at the local level" (IIED, 2019)

Dissenting the capture of the GCF by the transnational corporations and the growing bureaucratization of the fund that make it increasingly less accessible to communities and countries at the heart of climate crisis, contrary to the intent of the Fund.

Reflecting on the process that was launched by the Board of the Green Climate Fund (GCF) for the Fund's second replenishment (GCF-2) in July 2022, and the timelines for its closure in September 2023, culminating into a pledging conference, in which contributor countries will officially pledge funds for GCF-2.

Aware that parties to the United Nations Framework Convention on Climate Change (UNFCCC) are in the middle of setting a New Collective Quantified Goal (NCQG) for climate finance, for the period post-2025, which is expected to be a needs-based goal and in consideration of the best available science.

Further aware that the USD.100 billion annual commitment by developed countries remains a mirage and that the commitments secured under it, if any, is tilted in favour of mitigation.

Taking into account the needs of many developing countries that are way beyond what is currently committed in terms of climate finance.

Considering that the GCF is supposed to be the biggest climate Fund, not a Bank and ought to play a fundamentally key role in the climate finance architecture, with its funding being accessible to developing countries in form of grants and *not* loans.

Noting the invaluable role of civil society in implementation of policies and programmes with direct impacts on communities at the frontline of climate crisis at sub- national, national, regional and global-level and their positive contribution to just, equitable and inclusive policies.

¹ As of February 2023: <https://www.greenclimate.fund/projects/dashboard>

Taking advantage of the review of the Updated Strategic Plan (2024 - 2027) to enhance the quality of climate finance provided by the GCF and impact of the response measures and the need to scale-up ambitions in the second replenishment period (GCF-2).

Drawing on realities of GCF Project implementation and diverse experiences as generated over the last 2 years of African civil society monitoring and evaluation of the GCF-funded Projects in Africa

Here make the following recommendations with a view to improving several key aspects of the GCF's strategic vision and objectives in the New Updated Strategic Plan (USP):

1. Reiterating the supremacy of Multilateralism over diversionary bilateral arrangements, call on Developed Countries to honor their climate pledges, better align their commitment to the second replenishment period plan of the GCF and at minimum commit 80 percent of their funding through GCF.
2. Call on contributors to more than double the amount of funds pledged for GCF-1, in line with the position stated by the African Group of Negotiators (AGN) during COP27. In this regard, developed countries should scale up their commitments and disbursements to the ambition as to be set out under the New Collective and Quantified Goal.
3. Demand the GCF to have a stronger focus on communities at the frontline of climate crisis, ensuring that finance is reaching local level and is financing locally led projects, while integrating gender considerations to make sure women access and benefit equally from GCF funded outcomes. The GCF should endorse the Principles for Locally Led Adaptation {LLA}, and integrate them in their evaluation of funding proposals, while expediting establishment of new funding windows that facilitate more local access to finance, including for CSOs.
4. In its efforts to realize a strong focus on local communities, call on the GCF to establish a funding window for direct access for communities and CSOs at the onset of the new strategic period and to ring-fence a minimum of 30% of its resources for this cause, for greater relevance of the entity and impact of its climate response measures.
5. Insist on the Fund to promote stronger local partnerships to ensure that GCF-funded Projects do not undermine, but complement existing initiatives, while also making sure that projects and programmes strengthen national and local governance and provide capacity-building support to ensure sustainability.
6. Reiterate that the GCF must live up to its spirit of facilitating access to climate funds to climate vulnerable countries and communities with at least 50% of the total funding supporting adaptation projects. To do this the GCF should provide large parts (90 percent) of its funding in form of grants and with a greater focus on adaptation, assigning fair weights to social and environmental returns on investments.

7. Recommend the GCF take into account the implications of its policies and funding decisions on debt situation of developing countries that are struggling with high levels of debt and ensure climate funds, drawn from its pipeline does not create debt distress, but rather embodies the principles of climate justice and the spirit of Paris Agreement.
8. To enhance greater access to climate finance to communities at the frontline of climate crisis, appeal to the GCF to ring fence a minimum of 50 percent of its funding to be disbursed to Direct Access Entities. To achieve this, additional measures should be put in place to enhance capacities of Direct Access Entities
9. Urge the GCF to strengthen mechanism for CSOs and communities to play a strong watchdog role over the fund by entrenching their roles across the entire GCF projects and programme pipelines, at all levels.
10. Finally, urge the GCF should offer more targeted support to developing countries to enhance the capacities of their National Designated Authorities (NDAs), to ensure that their engagement in the GCF process is structured and clearly articulated. It should also work with NDAs to support them in establishing whole-of-society approaches for GCF processes that include CSOs and communities at the frontline of climate crisis.

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