



GREEN
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Unit



The Third Performance Review of the GCF

Summary Report

GREEN CLIMATE FUND
INDEPENDENT EVALUATION UNIT

Third Performance Review: Summary Report

AN INTERIM DELIVERABLE UNDER THE
THIRD PERFORMANCE REVIEW OF THE GCF

10/2026

© 2026 Green Climate Fund Independent Evaluation Unit
175, Art center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea
Tel. (+82) 032-458-6450
Email: ieu@gcfund.org
<https://ieu.greenclimate.fund>

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First Edition

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Citation

The citation details for this evaluation are as follows:

Independent Evaluation Unit. *Third Performance Review: Summary Report – An Interim Deliverable under the Third Performance Review of the GCF*. Songdo, Republic of Korea: Independent Evaluation Unit, Green Climate Fund, 2026.

Credits

Head of the GCF Independent Evaluation Unit: Andreas Reumann

Task manager: Archi Rastogi, Chief Evaluation Advisor, Independent Evaluation Unit

Editing: Beverley Mitchell

Layout and design: Giang Pham

Cover: Therese Gonzaga

A FREE PUBLICATION

Printed on eco-friendly paper

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ABBREVIATIONS

AE	Accredited entity
APR	Annual performance report
B[XX]	[XX]th meeting of the Board
BNDES	Banco Nacional de Desenvolvimento Econômico e Social
CIEWS	Climate information and early warning system
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
DAE	Direct access entity
DMEL	Department of Monitoring, Evaluation, and Learning
EWS	Early warning system
FAA	Funded activity agreement
GCF	Green Climate Fund
GCF-1	First replenishment period [of the GCF]
GCF-2	Second replenishment period
GEF	Global Environment Facility
GHG	Greenhouse gas
HR	Human resources
HRMF	Harmonized results management framework
IAE	International accredited entity
IEU	Independent Evaluation Unit
IFI	International financial institution
IRMF	Integrated Results Management Framework
LDC	Least developed country
MAF	Monitoring and Accountability Framework
MCF	Multilateral climate fund
MDB	Multilateral development bank
MSME	Micro-, small- and medium-size enterprise
NDA	National designated authority
NoL	No-objection letter
PPF	Project Preparation Facility
PSAA	Project-specific assessment approach
PSF	Private Sector Facility
RAF	Revised Accreditation Framework

RPSP	Readiness and Preparatory Support Programme
SIDS	Small island developing States
SPR	Second Performance Review
TPR	Third Performance Review
UNFCCC	United Nations Framework Convention on Climate Change
USP-2	Strategic Plan for the Green Climate Fund 2024–2027

1. INTRODUCTION

1. **This summary report presents emerging findings from the Third Performance Review (TPR) of the Green Climate Fund (GCF) to inform initial discussions on the GCF's strategy and third replenishment.** The Board launched the TPR through decision B.40/14, in October 2024, to independently assess the GCF's performance during its second replenishment period (2024–2027), its progress in delivering the mandate established in the Governing Instrument, and the implications for the third replenishment. Primary evidence for the review comes from visits to seven countries, an online survey, a detailed document review, interviews with more than 400 GCF and partnership participants, and quantitative data from within and outside the GCF. Additionally, as outlined in the approach paper, the review draws on a synthesis report, a foresight study,¹ previous evaluations by the Independent Evaluation Unit (IEU), and global evidence reviews.
2. **Changes in the climate finance landscape and within the GCF make this early assessment of the Fund's performance particularly timely.** Since 2024, geopolitical fragmentation, fiscal and debt pressures, technological and market transformation, and the growing complexity of the international climate finance architecture have changed the conditions under which the GCF operates. This period has also been marked by accelerated climate crises. Even while this report was being drafted, parts of Nepal were struck by catastrophic flooding triggered by a glacier collapse involving ice and rock. A global assessment by the United Nations Environment Programme concluded that an exceedance of 1.5°C of global warming is now widely considered unavoidable under current trajectories.² During the same period, the GCF has changed its strategies, policies and institutional arrangements. The TPR is expected to provide an early assessment and inform the GCF's future strategy and third replenishment, while the GCF's operating context and institutional model are both changing.
3. **This interim report presents emerging findings that may evolve as the TPR completes its evidence collection, analysis and validation.** Unless otherwise noted, the current report uses data available through the forty-fifth meeting of the Board (B.45), which the TPR will update before the final report for B.47 (scheduled for April 2027). The final report will present the TPR's final findings, conclusions and recommendations based on the complete body of evidence. This summary assumes some familiarity with the GCF and presents selected findings without all supporting analysis. The TPR team welcomes feedback to inform the final report.
4. **This report presents emerging findings, divided into four sections.** It first examines the GCF's organizational effectiveness, including the direction set by the *Strategic Plan for the Green Climate Fund 2024–2027* (USP-2) and the policy, operational and organizational reforms the GCF introduced to deliver it. It then assesses partnership effectiveness, including how the GCF supports country planning and ownership, direct access, private sector engagement, and complementarity with other climate finance institutions. The report next examines the GCF's programming and results, including the scale and composition of programming, reported results, project performance, disbursement patterns, portfolio management and adaptive management. It concludes by looking at the GCF's role in the multilateral climate finance system, including its comparative value and evolving role within a more fragmented and constrained climate finance landscape.

¹ All published documents relating to the TPR can be found in the Evaluation Documents section of the evaluation's web page: <https://ieu.greenclimate.fund/evaluation/tpr2025>.

² United Nations Environment Programme, *Limiting Overshoot*.

5. **Overall, the report finds that the GCF's scale, results and ambition are growing rapidly, but limited strategic focus and slow implementation limit its impact.** The GCF remains a central pillar of the global climate finance architecture, symbolizing a collective vision of equitable climate action, despite providing only a small share of global climate finance. During the second replenishment period (GCF-2), the Fund approved record volumes, met most programming targets, increased private sector engagement and doubled reported climate results relative to the first replenishment period (GCF-1). Projects that reach mature implementation generally perform well, and the GCF provides distinctive value through its unique combination of adaptation finance, concessional resources, readiness support and direct access, especially in vulnerable and underserved countries. However, the same broad representation that strengthens the GCF's legitimacy also requires it to accommodate competing priorities, limiting its strategic focus, specialization and ability to build a coherent portfolio towards achieving "paradigm shift". Fragmented policies, uneven institutional capacity and sluggish processes further limit its timely impact. Its extensive reform agenda during GCF-2 addresses many of these weaknesses, but most reforms are too recent to show results, and some have created new strains. The GCF's central test is therefore not just whether it can build itself as an institution and approve more climate finance, but also if it can turn its growing resources and ambitions into focused and transformative investments, with timely delivery and credible evidence of impact.

2. EMERGING FINDINGS

A. ORGANIZATIONAL EFFECTIVENESS

6. **The USP-2 has reaffirmed the GCF's mandate and defined its programming targets for the first time.** USP-2 reaffirmed the GCF's mandate, in alignment with its Governing Instrument, as an organization intent on making “a significant and ambitious contribution to the objective of the UNFCCC [United Nations Framework Convention on Climate Change] and the goals of the Paris Agreement through successive cycles”.³ USP-2 advances a long-term vision of promoting “paradigm shift” in support of developing countries, organized around four strategic programming directions: (i) the Readiness and Preparatory Support Programme (RPSP), (ii) mitigation and adaptation balance, (iii) adaptation support for particularly vulnerable countries, and (iv) the private sector, promoting innovation and catalysing green finance.⁴ For the first time, USP-2 defines explicit programming targets for portfolio composition, geographic reach, thematic balance and partnership.
7. **The USP-2 does not provide sufficient strategic guidance on how to prioritize investments, leading to broad and scattered investment coverage.** A year prior to the USP-2 launch, the Second Performance Review (SPR) documented the GCF's “do it all” approach as a central weakness.⁵ The *Independent Evaluation of Green Climate Fund's Investment Framework* from the same year also called on the GCF to better prioritize investments.⁶ Despite this, USP-2 did not take any firm position on key matters, including which sectors, entities and programming to prioritize in the current strategic period, where to target concessional finance, and on the application of financing instruments in different contexts. GCF interviewees attribute this to a Board process in developing USP-2 that sought consensus from different members with varying investment priorities, rather than arbitrating among competing priorities or creating a hierarchy of what matters most during this period. Thus, USP-2 accommodates many equally weighted investment priorities, resulting in broad but not deep and paradigm-shifting investment coverage. According to Secretariat stakeholder feedback, preparatory work is under way to heighten the level of strategic guidance provided in the next strategic plan for investment planning across themes, instruments, regions and delivery partners. In the meantime, the GCF continues to make investment and programming decisions on a project-by-project basis, based on what enters the pipeline, lightly curated by the Secretariat and assessed against the GCF's six investment criteria, rather than through clearly articulated and predictable impact-oriented investment planning aligned with the stated priorities of a given strategic period.
8. **The GCF's policy reform agenda under USP-2 is more active and ambitious than at any previous point.** The GCF has enacted a broad set of policy reforms to better deliver the USP-2's objectives. It introduced the Revised Accreditation Framework (RAF)⁷ and an accompanying Policy on Fees for Accreditation,⁸ thereby reshaping entry into the GCF partner network. The RAF also replaced fixed-term accreditation and periodic re-accreditation with indefinite accreditation, while the updated Monitoring and Accountability Framework (MAF) introduced periodic self-assessments

³ Green Climate Fund, *Strategic Plan for the Green Climate Fund 2024–2027*, 2.

⁴ Ibid., 4–5.

⁵ Independent Evaluation Unit, *Second Performance Review of the Green Climate Fund*.

⁶ Independent Evaluation Unit, *Independent Evaluation of Green Climate Fund's Investment Framework*.

⁷ Green Climate Fund, *Accreditation Framework of the Green Climate Fund*.

⁸ Green Climate Fund, *Policy on Fees for Accreditation*.

and risk-based monitoring of accredited entities (AEs),⁹ expanding on the participatory monitoring approach already established under the original 2015 MAF, to provide continuing oversight.¹⁰ The Risk Appetite Statement now guides the GCF's risk tolerance for major financial and non-financial decisions,¹¹ such as defining how much the GCF can commit versus how much it must hold in reserve, and the Refined Commitment Authority Framework raised the aggregate commitment authority at B.45.¹² The GCF delivered a revised Readiness Results Management Framework to operationalize its 2024–2027 Readiness Strategy. It adopted an updated Gender Action Plan for 2026–2031 that expands upon the 2020–2023 Gender Action Plan.¹³ The GCF Secretariat also established a dedicated Department of Monitoring, Evaluation, and Learning (DMEL), along with new or expanded data dashboards and infrastructure.¹⁴ It also developed a harmonized results management framework (HRMF), which is expected to be considered by the Board at B.46.¹⁵ Additionally, the GCF Board approved the Administrative Budget and Accounting Framework (decision B.38/07), the Policy for Results-Based Payments for REDD+ (decision B.40/16), and noted the Partnership and Access Strategy (decision B.39/14). These and other policy reforms have focused on key areas of the GCF's partnership and operational model.

9. **The GCF enacted reforms to make the institution more efficient, showing early progress.** The Executive Director supplemented USP-2 with a “50by30” vision for the GCF to manage a capitalization of USD 50 billion by 2030. Such a scale was seen to require greater efficiency, giving rise to “Efficient GCF” in late 2023. Efficient GCF is an operational agenda to accompany increased programming volume with improved service standards and processing times, as well as simplified access to GCF support, reflecting the aspirations of stakeholders across the GCF partnership, as interviewees explained.¹⁶ Components of Efficient GCF have included consistent points of contact at the Secretariat for partners, investment pipeline optimization, streamlined documentation, and more. Each improvement addresses a specific, documented operational gap and reflects partner priorities for improving GCF operations.¹⁷ For example, addressing long-standing concerns around lengthy processes and delays at the GCF, Efficient GCF has set a target of nine months for the completion of project appraisal from concept note submission until a funding proposal is ready for Board approval.
10. **The GCF has strengthened several of the individual building blocks needed to show how institutional activity and staff performance contribute to strategic results, but it has not yet linked them into a single system that can trace this connection end-to-end.** The GCF's institutional reform agenda has seen improved internal management systems, in terms of risk

⁹ Green Climate Fund, *Updated Monitoring and Accountability Framework for Accredited Entities*.

¹⁰ The 2015 participatory monitoring provisions can be found in decision B.11/10, Annex I, para. 15:

<https://www.greenclimate.fund/decision/b11-10>.

¹¹ Green Climate Fund, *Risk Appetite Statement*. Adopted by decision B.40/17, the Risk Appetite Statement sets explicit financial and non-financial risk tolerances for institutional and programme decision-making. Existing risk classification, evaluation and mitigation methodologies are being reviewed and strengthened under ongoing RMF modernization efforts; a shared, consistent methodology for pricing risk at the individual project level remains under development.

¹² This Framework was submitted for Board acknowledgement rather than decision and raised the commitment authority from approximately USD 1.4 billion to approximately USD 7.2 billion through a risk-weighted methodology. See GCF/B.45/Inf.12: Report on the activities of the Secretariat, Annex III, paras. 7, 8, 11, June 9, 2026.

<https://www.greenclimate.fund/board-document/gcf-b45-inf12>.

¹³ GCF/B.45/Inf.12, para. 22; Green Climate Fund, *Gender Action Plan for the GCF 2026–2031*.

¹⁴ GCF/B.42/16: Optimized approach to Monitoring, Evaluation, and Learning: Co-Chairs' Proposal, paras. 7, 9, June 24, 2025. <https://www.greenclimate.fund/board-document/gcf-b42-16>.

¹⁵ *Ibid.*, para. 8.

¹⁶ GCF/B.41/Inf.12: Report on the Activities of the Secretariat, para. 4, February 4, 2025.

<https://www.greenclimate.fund/board-document/gcf-b41-inf12>.

¹⁷ GCF/B.39/Inf.08: Report on the Activities of the Secretariat, June 24, 2024. <https://www.greenclimate.fund/board-document/gcf-b39-inf08>; GCF/B.41/Inf.12, para. 4; GCF/B.42/Inf.08: Report on the Activities of the Secretariat, June 11, 2025. <https://www.greenclimate.fund/board-document/gcf-b42-inf08>.

management, results management and work planning. However, the unifying system bringing these all together is not yet in place to reliably ascertain how risk informs results, results inform work planning, and work planning connects staff effort to strategic outcomes. For example, at project level, risk assessments at appraisal have not been linked to results monitoring, so the GCF has been unable to confirm whether identified risks materialized, according to Secretariat interviewees and GCF documentation.¹⁸ The digitization of the annual performance report (APR), launched in April 2026, is a step towards closing this specific gap: the same risk-assessment matrix used at appraisal is now being built into APR reporting, standardizing what was previously captured inconsistently across submissions.¹⁹ A related disconnect separates disbursement from independently confirmed delivery of results. Board reporting compares disbursed funds against AE self-reported achievement figures, rather than independently verified outcomes – a gap that current digitization efforts are working to close.²⁰ At the institutional level, the Secretariat’s periodic work programme reports track outputs and milestones against institutional priorities, while its annual portfolio reports track progress against USP-2 targets. In other words, the first shows the Secretariat’s activities and the second shows the portfolio’s results, but the system does not show how the activities contributed to the results delivery.²¹ The USP-2’s implementation action plan recognizes this institutional reporting gap and commits to “showing the alignment between USP-2 programming, operational and institutional priorities and work programme action pillars”.²² The Executive Director also endorsed the Secretariat’s performance management and development system in 2025, which is meant to incentivize improved staff performance by linking it to institutional results. A formal cascade mechanism already requires staff objectives to align with institutional priorities. What remains under development is the new system’s own further incentive layer – tied specifically to individual impact, collaboration, leadership and values – meant to connect that alignment more directly to institutional results.²³

11. **The emergence of so many new or updated policies in such a short period has deepened the organization’s policy coherence gap, as well as the GCF’s commitment to address it.** The USP-2 period introduced many new or updated policy instruments (referring also to strategies, frameworks, etc.) alongside those from previous periods, and the GCF now has a suite of over 100 discrete organizational policy instruments. The GCF’s approach to policy renewal has been incremental revision rather than comprehensive reform. It reflects institutional constraints more than lack of intent; reviewing policies together rather than one at a time would take more time and resources than the Board can spare. It would also require a level of agreement across constituencies that the Board’s own consensus-based structure has made historically difficult to reach. Some policy mandates take years to fulfil, even as other instruments are relied on to fill the gap in the meantime. Concessionality is perhaps the clearest example. Although the Investment Framework and the Secretariat’s investment assessments provide principles for evaluating the appropriateness of GCF

¹⁸ GCF/B.44/Inf.07: Report on the Activities of the Secretariat, March 9, 2026. <https://www.greenclimate.fund/board-document/gcf-b44-inf07>.

¹⁹ GCF/B.45/Inf.12, para. 19.

²⁰ See methodology note 2 (p. 84) on “actual results” (being AE self-reported via APRs) in GCF/B.41/Inf.13: Status of the GCF Resources, Portfolio and Pipeline, Annex III, February 4, 2025. <https://www.greenclimate.fund/board-document/gcf-b41-inf13>.

²¹ GCF/B.43/Inf.10/Add.01: Annual Portfolio Performance Report (2024), October 8, 2025. <https://www.greenclimate.fund/board-document/gcf-b43-inf10-add01>; GCF/B.45/Inf.11: Status of the GCF Resources, Portfolio and Pipeline, June 9, 2026. <https://www.greenclimate.fund/board-document/gcf-b45-inf11>; GCF/B.45/Inf.12; Green Climate Fund, *Work Programme of the Secretariat for 2026–2028 and Administrative Budget*, para. 7.

²² GCF/B.38/Inf.15: Strategic Plan for the GCF 2024–2027: Implementation Action Plan, February 14, 2024. <https://www.greenclimate.fund/board-document/gcf-b38-inf15>.

²³ Green Climate Fund, *Staff Regulations*.

financing,²⁴ the Board has never adopted the stand-alone Policy on Concessionality first mandated under decision B.19/06.²⁵ As a result, the GCF lacks a Board-approved framework establishing common expectations for determining the appropriate level of concessionality in individual projects. Judgments therefore continue to rely on the Investment Framework, Secretariat practice, and case-by-case assessment rather than a shared normative benchmark.²⁶ Elsewhere though, deliberate sequencing has occurred in pockets – most notably in the accreditation reform package and the Efficient GCF programme, both areas of priority named directly in USP-2.²⁷ The result is a policy suite that is internally uneven – coordinated in some areas, unresolved in others – a condition AEs experience directly. AEs report that this policy landscape causes ambiguity and uncertainty. According to the TPR survey, only a minority of AEs say that project approval and implementation processes are clear and predictable. A Secretariat-commissioned policy coherence review, targeted for completion in 2027 and reported to be “on track” as of B.45, is now working through this task.²⁸ The suite has developed over more than a decade through extensive Board deliberation, and resolving its coherence gap accordingly remains a significant undertaking, unlikely to close within the GCF-2 period.

12. **The GCF’s regional reorganization reduces project support fragmentation and shows signs of making programming more country-led.** In September 2024, the GCF Secretariat was reorganized, replacing an operating model in which separate divisions handled successive stages of the project cycle with a regional, country-focused model that combines most of those functions within “regional desks”. More specifically, reorganization at the Secretariat merged project origination, appraisal and implementation functions into single regional teams to reduce fragmented and inefficient project processes, tackle project development backlogs, make programming more country-led, and address partner concerns about GCF counterparts being difficult to access and coordinate with.²⁹ Interviews and country visits confirm that the reorganization has enabled regional teams to tailor investment discussions more closely to each country’s priorities, helping to make GCF programming more country-led. Country stakeholder and AE interviews largely supported the reorganization, saying that regional desks introduced clear and singular contact points and led to faster response times from the Secretariat. Secretariat responsiveness to partner requests now rates highly across much of the AE network, according to country visits, interviews and TPR survey data, although international accredited entities (IAEs) perceive the changes less favourably than direct access entities (DAEs).
13. **The GCF’s introduction of regional offices promises greater proximity to country partners, building on delegation of authority to regional directors that already exists but has so far applied only to headquarters-based regional teams.** With the configuration adopted by decision B.44/14, the GCF is deepening its regional reorganization by establishing three regional offices, along with a Pacific subregional office, while Asia continues to be covered directly from GCF

²⁴ Green Climate Fund, *Investment Framework*, tbl. 2.

²⁵ As noted in GCF/B.33/11: Review of the financial terms and conditions of the Green Climate Fund financial instruments, pp. 3, 5, July 6, 2022. <https://www.greenclimate.fund/board-document/gcf-b33-11>.

²⁶ Green Climate Fund, *Investment Framework*, paras. 16(b), 16(c), 22.

²⁷ GCF/B.42/04: Accreditation Matters, para. 1, June 11, 2025. <https://www.greenclimate.fund/board-document/gcf-b42-04>; Green Climate Fund, *Strategic Plan for the Green Climate Fund 2024–2027*.

²⁸ Green Climate Fund, *Work Programme of the Secretariat for 2026–2028 and Administrative Budget*; GCF/B.45/Inf.12.

²⁹ GCF/B.40/20: Implementation of the Updated Structure of the Secretariat, October 4, 2024.

<https://www.greenclimate.fund/board-document/gcf-b40-20>. The updated structure of the Secretariat was endorsed by decision B.40/01. GCF/B.40/Inf.13: Report on the activities of the Secretariat, Annex III, October 4, 2024.

<https://www.greenclimate.fund/board-document/gcf-b40-inf13>; GCF/B.41/Inf.12, para. 22.

headquarters.³⁰ Each office will be led by a regional director and is envisaged to open in 2027.³¹ Interviewed and visited country partners welcome this decision, hoping it will move more decision-making authority to regional desks and regional offices, closer to where projects operate. In practice, regional directors have held delegated authority over concept note endorsement along with RPSF and Project Preparation Facility (PPF) approvals since the 2024 restructuring described above.³² Project funding decisions remain with the Board, and funding proposal endorsement for Board submission is retained centrally to ensure consistency across regions. Project-related change request decisions are only partly centralized: routine, non-major changes are already delegated to the Secretariat, while “major changes” continue to require Board approval.³³ Thus, AE and national designated authority (NDA) partners report little noticeable change in decision-making in practice. The Enhanced Review of the Restructuring and Cancellation Policy, presented at B.45, seeks to refine the framework governing which post-approval changes require Board sign-off and which the Secretariat can handle directly. This would establish clearer and more objective criteria for Board approval, streamlining decision-making while preserving appropriate Board oversight and strengthening the role of country ownership in restructuring decisions.³⁴ This Enhanced Review therefore addresses the first level of delegation – between the Board and the Secretariat. Any subsequent delegation of authority within the Secretariat, including to regional directors, would remain a separate internal management decision and could operate only within the limits of the authority delegated by the Board.³⁵ Overall, the Secretariat and partners alike point to the benefits of proximity, including deeper country familiarity and more responsive engagement, though with recognition that distance will still be a constraint on what can be done for oversight.

14. **The GCF’s 2024 reorganization involved staffing changes that moved faster than the human resources (HR) systems needed to sustain it, leaving staff capabilities and incentives out of sync with the new regional model.** Staff describe staffing changes related to the reorganization as being implemented quickly with limited consultation and transparency. Secretariat interviews widely reported that the GCF launched the reorganization without assessing what skills and roles the new model would require. In practice, according to Secretariat staff, this led to staff positions being improperly filled (e.g. thematic specialists being reassigned to project management roles and responsibilities for which they perceived themselves to be ill-suited). Interviewees across multiple countries also say the reorganization led to staffing turnover that disrupted GCF-partner relationships and the institutional memory built under the previous model. According to Secretariat and AE interviews, the changes also contributed to many staff leaving the GCF. This forced the GCF to compensate by hiring consultants, with related expenditure reaching 142 per cent of budget in 2025 (a variance the Secretariat’s own reporting links in part to the regional transition and is

³⁰ B.44/15: Regional presence. The three regional offices are located in Panama City (for Latin America and the Caribbean), Amman (Eastern Europe, Central Asia and the Middle East), and – operating across two locations – Nairobi and Abidjan (Africa). The Pacific is covered by a subregional office in Suva, Fiji, overseen by a headquarters-based regional director.

³¹ GCF/B.44/17/Rev.01: Operationalizing GCF regional presence: assessment results, proposed configurations and implementation plan, paras. 32, 36, March 20, 2026. <https://www.greenclimate.fund/board-document/gcf-b44-17-rev01>; GCF/B.45/Inf.12: Report on the activities of the Secretariat, para. 25, June 9, 2026. <https://www.greenclimate.fund/board-document/gcf-b45-inf12>.

³² GCF/B.42/12/Add.01: Operationalizing GCF regional presence: Response matrix for comments received on the draft document, p. 10, June 18, 2025. <https://www.greenclimate.fund/board-document/gcf-b42-12-add01>; GCF/B.43/Inf.11: Readiness and Preparatory Support Programme and Project Preparation Facility – annual report on implementation 2024, paras. 30, 34, October 10, 2025. <https://www.greenclimate.fund/board-document/gcf-b43-inf11>.

³³ GCF/B.45/16: Implementation Review of the Policy on Restructuring and Cancellation, para. 19, June 15, 2026. <https://www.greenclimate.fund/board-document/gcf-b45-16>.

³⁴ Ibid., para. 49.

³⁵ This information is sourced from the GCF internal document *Administrative Instruction: Delegation of Authority of the Executive Director*, AI/OED/2025/005, para. 3.

described as absorbed within an administrative budget that closed the year at 98 per cent spent).³⁶ Moreover, in 2027, many staff are set to relocate to regional offices, with location-specific salary adjustments already announced internally, potentially exacerbating these staffing disruptions. The Secretariat's own risk assessment rates core capability and continuity risks from the staffing changes as high and unresolved.³⁷ That said, the GCF has taken a series of HR reform steps to address some of these emerging issues: it restructured its HR function into a dedicated Department of People and Culture in 2024, updated the staff rules and regulations in mid-2025 (and has since engaged an external firm to resolve implementation gaps in that framework), introduced a management-coaching programme tailored to individual staff strengths, and is developing a new staff performance incentive system endorsed by the Executive Director.³⁸

³⁶ GCF/B.44/Inf.04: Report on the Execution of the 2025 Administrative Budget of the GCF, March 4, 2026. <https://www.greenclimate.fund/board-document/gcf-b44-inf04>. See Table 6 (p. 13), "Detailed Secretariat expenditure from 1 January to 31 December 2025": consultant line, approved budget USD 3,534,659, actual expenditure USD 5,020,586, 142% of approved budget; Secretariat total, approved budget USD 110,502,291, actual expenditure USD 107,869,178, 98% of approved budget. Para. 50: consultant variance linked in part to the regional transition.

³⁷ GCF/B.44/17/Rev.01, Annex III.

³⁸ GCF/B.41/Inf.12, para. 23; GCF/B.42/15, Annex III, Chapter VII; GCF/B.44/Inf.07, para. 40; GCF/B.45/Inf.12, p. 14.

B. PARTNERSHIP EFFECTIVENESS

15. **Partners value the unique approach and bundle of support offered by the GCF.** Rooted in country ownership and a direct access model, the GCF offers readiness support, project preparation support and concessional investment finance. Country ownership recognizes and supports NDA leadership in pursuing national climate strategies and plans. No-objection procedures are a tool of operationalizing country ownership, to ensure that GCF projects align with national priorities by requiring formal endorsement from the NDA. The direct access model enables accredited national and regional entities to manage GCF resources. Readiness support strengthens the institutions, coordination and pipelines needed to pursue country-driven priorities. Project preparation support converts national priorities into viable proposals, and concessional investment finance supports mitigation and adaptation investments on suitable terms. The bundle is valued not because each element is exclusive to the GCF, but because the GCF combines all of these elements to give partners country-owned climate action pathways from project development to investment, while strengthening the systemic, strategic and institutional base for their delivery. Country partner interviewees value different aspects to greater or lesser extents, based on their specific needs, capacities and access to other resources. For example, Saint Lucia interviewees valued readiness and project preparation support for advancing the country's national adaptation priorities; Federated States of Micronesia interviewees valued readiness support for strengthening coordination of climate finance and development assistance; Tanzania interviewees valued the direct access model and concessional investment finance provided through CRDB Bank Plc. for farmers and agricultural businesses; and Brazil interviewees valued situating GCF engagement with a broader international investment platform. IEU evaluations, foresight evidence, climate literature, and interviews with NDAs, AEs, Secretariat staff, multilateral climate funds and multilateral development banks (MDBs) corroborate these findings.
16. **The GCF Readiness Programme has been effective in supporting early stages of country planning and institutional capacity-building.** The RPSP is the GCF's principal instrument for helping NDAs take leadership in identifying climate priorities, preparing country programmes, developing national adaptation plans and other long-term strategies and sector plans, and strengthening the institutions and coordination needed to develop individual country-owned projects. IEU and GCF evaluations, country evidence, and interviews with NDAs, AEs and Secretariat staff indicate that the RPSP has strengthened NDA capacity, country ownership, planning and coordination. For example, Saint Lucia used it to strengthen climate finance coordination; translate its national adaptation plan, sectoral adaptation strategies and action plans into sector programming; and undertake the early planning needed to advance GCF project development with PPF support. Brazil used the RPSP to update its country programme and support the Brazilian Investment Platform as an institutional mechanism for coordinating climate investment. The Federated States of Micronesia used it to strengthen coordination through its NDA (housed in the Department of Finance and Administration) and existing development assistance systems.
17. **Readiness support has modestly delivered on its more recent objective to convert plans into viable funding pipelines, with efforts under way to improve this.** Only 71 of 354 approved funding proposals identify readiness as having supported their development, partly because AEs often use the PPF for detailed proposal preparation. Indeed, the PPF often plays an intermediary role between readiness support and project approval. As a result, concept notes rarely credit readiness support for their development. These results indicate that the RPSP has historically struggled to add

value in converting country plans into project pipelines. Country stakeholder interviews similarly found that the GCF's readiness support had provided no clear pathway to coherent, strategic pipeline development. Readiness has therefore not consistently bridged its gains in institutional capacity and country planning with the harder task of developing implementable investment pipelines. The GCF's Revised Readiness Strategy targets this weakness by making pipeline development one of its three objectives, replacing one-year with four-year RPSP grants to allow more time for pipeline development, and introducing a revised Readiness Results Management Framework for planning and tracking results. Secretariat interviewees and the Secretariat's 2024 *Evaluation of the Outcomes and Impact-Level Results of the Readiness and Preparatory Support Programme* expect the revised framework to show more clearly whether readiness support produces viable pipelines.³⁹ However, operationalization delays had limited approvals under the revised strategy to 22 RPSP grants (as of July 2026), and countries were still learning how to use the new approach, including for pipeline development. It is therefore too early to assess whether the revised strategy improves pipeline development.

18. **GCF support for country platforms enhances country-led mechanisms to mobilize partners and finance beyond the GCF, but few operate yet and their value is promising, if emergent.** In USP-2, the GCF began using its RPSP to help countries move from country programmes, which primarily document country climate priorities and pipelines for GCF engagement, towards country platforms, which are ongoing mechanisms for coordinating stakeholders, prioritizing investments, and mobilizing climate finance from diverse sources, not just the GCF. The move positions the GCF as one partner within a broader country-led system. Fourteen countries and regions had announced platforms by November 2025,⁴⁰ and several have since become operationalized. As of B.45, a total of 21 countries/regions have been engaging with the GCF to establish or strengthen their platforms. The GCF does not provide prescriptive guidance on their design, such that countries adapt them to their needs and institutional contexts. Brazil's Investment Platform is the most advanced example. It has fostered strong country ownership, embedding itself within the Ministry of Finance, creating a steering committee with representatives from multiple ministries, with a Secretariat hosted by the Banco Nacional de Desenvolvimento Econômico e Social (BNDES, a national DAE), focusing on bankable ecological transformation investments. Ghana's emerging CRIP-Ghana has expanded a GCF-specific country programme into a national climate-investment platform with deal preparation; measurement, reporting and verification; and learning functions. Caribbean countries have pursued a shared regional platform to coordinate climate planning and investments, to benefit from shared capacities and economies of scale. This diversity demonstrates the model's flexibility by enabling countries to tailor platforms to their needs. At the same time, interviews from multiple regions indicate that the value proposition of regional platforms needs clearer articulation for countries to participate in them, particularly for countries with established national arrangements.
19. **Country ownership is strongest when capable national institutions lead, coordinate and oversee GCF programming.** Interviews, country visits and past IEU evaluations indicate that strong national institutions enable countries to set priorities, align GCF investments with national and sector plans, coordinate stakeholders, and oversee climate finance. Country ownership is stronger when NDAs can perform these functions, DAEs are mature, and national coordination includes subnational authorities, civil society, affected communities, Indigenous Peoples and the private sector. Country evidence illustrates the institutional foundations for this ownership. Brazil's

³⁹ Green Climate Fund, *Evaluation of the Outcomes and Impact-Level Results of the Readiness and Preparatory Support Programme*.

⁴⁰ Green Climate Fund, "Fourteen New Country Platforms Announced in Collaboration with GCF to Drive Country-Led Climate Solutions."

Ministry of Finance and national development bank, BNDES, provide investment leadership. The Federated States of Micronesia's finance-based NDA links climate finance with development assistance coordination. Saint Lucia's NDA and National Climate Change Committee provide a broad base for coordination. Ghana's Ministry of Finance and Natural Resources, Environment and Climate Change Unit give CRIP-Ghana a credible institutional foundation. Country ownership is weaker where national capacity is limited, consultants substitute for national institutions, AEs promote predeveloped projects rather than respond to national priorities, or climate finance remains siloed within an NDA or AE.

20. **Opaque and burdensome GCF processes can hinder country-owned programming.** The GCF's partnership model assumes that its processes are accessible, responsive and predictable enough for national institutions to guide programming and oversee implementation. However, country visits found that this assumption does not always hold. GCF programming sometimes operates separately from national sector planning. For example, interviews reported that national institutions in Ghana and Tanzania provided a credible foundation for country ownership but lacked information about the activities, country-level funding and implementation progress of GCF-funded multi-country programmes operating in their countries. Country-visit interviews confirmed that weak communication from the GCF and the limited in-country presence of AEs reduced national institutions' access to the information needed for country-led oversight. Country visits also found that slow GCF processes and burdensome requirements increased transaction costs and eroded trust, constraining national institutions' ability to track delivery, coordinate partners and steer their GCF portfolios. Board reporting and Secretariat, civil society organization and NDA interviews indicate that many countries are using part of their RPSP allocation for new GCF liaison officer positions, which are designed to promote better coordination both in-country and with the GCF. As of B.45, 56 liaison officer placements have been made, with some early variability in generally positive benefits.⁴¹
21. **The GCF has incrementally improved access to its resources, while recent reforms may support further gains.** USP-2 aimed to double the number of DAEs with approved funding proposals from 29 to 58 and increase the resources channelled through them.⁴² By B.45, 18 additional DAEs had received their first project approvals during GCF-2, against the target of 29 additional DAEs.⁴³ Access has also broadened in 25 of 155 eligible countries, through gains in first-project access, single-country access or DAE-led single-country access.⁴⁴ These access improvements are modest, despite ongoing GCF efforts, both before and during USP-2. Reforms include establishing the project-specific assessment approach (PSAA) pilot, adding a DAE-specific window to the RPSP, and introducing the RAF.⁴⁵ These reforms continue to address long-standing barriers by changing how entities receive capacity support, qualify to work with the GCF, and gain approval to implement projects.⁴⁶ Of these, the PSAA shows a clear and sustained growth trajectory:

⁴¹ GCF/B.45/Inf.11.

⁴² Green Climate Fund, *Strategic Plan for the Green Climate Fund 2024–2027*.

⁴³ IEU calculation based on GCF project approval data through B.45, consistent with the Secretariat's tracking of first-time DAE approvals under USP-2.

⁴⁴ IEU calculation based on GCF project approvals, comparing each country's access at the end of GCF-1 (B.37) with its status as of B.45. Of 155 eligible countries, access improved for 25 countries: 5 gained their first approved project, 14 gained a first single-country project, and 6 gained a DAE-led single-country project.

⁴⁵ As per decision B.31/06(h); the PSAA pilot was adopted as part of the previous iteration of the Accreditation Framework through decision B.31/06, see Annex IV: Accreditation framework of the GCF, Section VII, paras. 88–136, March 31, 2022. <https://www.greenclimate.fund/decision/b31-06>; GCF/B.42/04/Add.01; reporting on the DAE window is presented in GCF/B.43/Inf.11: Readiness and Preparatory Support Programme and Project Preparation Facility – Annual Report on Implementation 2024, October 10, 2025. <https://www.greenclimate.fund/board-document/gcf-b43-inf11>.

⁴⁶ GCF/B.41/Inf.13, para. 86; GCF/B.44/Inf.08: Status of the GCF Resources, Portfolio and Pipeline, paras. 78–79, March 5, 2026. <https://www.greenclimate.fund/board-document/gcf-b44-inf08>; GCF/B.45/Inf.11, para. 80.

demand has risen steadily across successive Board reporting cycles, and the pilot had produced six approved funding proposals as of B.44. The PSAA operates as a separate, project-specific pathway alongside the RAF's institutional accreditation track and can serve as a stepping stone towards full institutional accreditation for entities that build a track record through it,⁴⁷ although it is not yet clear how many are making that transition. The RAF's own impacts remain less observable at this stage. The first pilot window's applicants only entered formal review in May 2026, and none have yet completed the process.⁴⁸

22. **Many DAEs still lack the capacity and consistent GCF support needed to develop successful funding proposals.** DAEs may meet the GCF's institutional requirements but still lack the technical, operational and financial-structuring capacity needed to develop proposals. Country-visit interviews and AE survey responses found that many DAEs lacked these capacities. Some also lacked the capacity to prepare the readiness proposals required to obtain capacity support. Nearly two thirds of surveyed DAEs (28 of 44) had received neither RPSP nor PPF support to develop a concept note or funding proposal. This is consistent with the *Independent Evaluation of the GCF's Readiness and Preparatory Support Programme*, which found that fewer than 12 per cent of eligible DAEs had received RPSP support, identifying limited awareness of eligibility rather than unmet demand as a central driver.⁴⁹ A parallel evaluation of the PPF points to the same gap: low uptake has persisted since the Facility's early years, and the evaluation recommends that the GCF build greater awareness of it – even though DAEs already account for most PPF-supported projects among those who engage. The support provided by the GCF also varied in consistency across DAEs. Some received comprehensive capacity assessments and targeted training,⁵⁰ whereas nearly half of those consulted through interviews and an entity survey reported slow and inconsistent assistance during proposal review and approval. The Secretariat's work programme includes ongoing commitments to strengthen capacity support through the DAE readiness window, with specific deliverables planned in each year through 2028.⁵¹
23. **The RAF narrows what accreditation itself certifies by sequencing requirements to later stages; this accelerates entry without assurances of GCF programming.** DAEs have consistently described accreditation as lengthy, resource-intensive and unpredictable, through GCF-1 and GCF-2. The RAF addresses some of these issues. The RAF narrows the requirements for entities to receive initial accreditation but transfers some of them to the funding proposal and appraisal stage. It also allows non-government-controlled and international entities to self-nominate rather than requiring formal NDA nomination, whereas government and government-controlled entities continue to require NDA nomination as before.⁵² Finally, the RAF replaces periodic re-accreditation with self-assessment and risk-based monitoring, with supportive and remedial measures where

⁴⁷ GCF/B.31/14: Decisions of the Board – thirty-first meeting of the Board, 28 – 31 March 2022, Annex IV, paras. 38, 41, May 27, 2022. <https://www.greenclimate.fund/board-document/gcf-b31-14>.

⁴⁸ GCF/B.45/03: Consideration of accreditation proposals and activities, paras. 12–13, 23, June 8, 2026. <https://www.greenclimate.fund/board-document/gcf-b45-03>. (Eighty-three applicants entered the nine-month review period as of May 6, 2026). Given this timeline, no applicants from the first pilot window would be expected to complete accreditation before early 2027.

⁴⁹ GCF TPR AE feedback survey, July 2, 2026 (28 of 44 DAEs surveyed had received neither RPSP nor PPF support); Independent Evaluation Unit, *Independent Evaluation of the GCF's Readiness and Preparatory Support Programme*, para. 149. (Fewer than 12 per cent of eligible DAEs received RPSP support; limited awareness of eligibility identified as a central driver); Independent Evaluation Unit, *Independent Evaluation of the Green Climate Fund's Project Preparation Facility: Final Report*. (see para. 37 highlighting the low uptake documented in Secretariat reports to the Board, B.30–B.32, and Recommendation 2b on improving awareness of the Facility).

⁵⁰ GCF/B.43/Inf.11.

⁵¹ Green Climate Fund, *Work Programme of the Secretariat for 2026–2028 and Administrative Budget*.

⁵² GCF/B.42/04/Add.01, paras. 36–39.

entities do not programme, comply or perform.⁵³ Together, these changes reduce barriers to accreditation. In its first pilot application window (January 26 – April 6, 2026), 88 applications were submitted, of which 83 had paid the required fees by May 6, 2026, triggering the nine-month review period. This cohort included 18 prospective first-time national DAEs across 15 countries.⁵⁴ It also eased entry for private sector and non-state actors. However, partner interviewees warned that the larger applicant pool increases due-diligence workloads for the Secretariat and the Accreditation Panel and could create a new processing backlog. Under the RAF, programmatic curation of the AE network is encouraged and is starting to happen, with regional teams weighing sector and scale fit at the point of nomination. The GCF has also begun giving countries informal guidance on the types of entities it considers more likely to advance into programming, such as ministries of finance – although this remains to be systematized. The RAF has therefore broadened accreditation with so far unactualized potential to shape the entity partner network at a portfolio scale.

24. **Accreditation strengthens diverse partners' credibility with lenders, increasing their potential to secure wider climate finance.** DAEs widely valued their accreditation and its benefits. A large majority of surveyed DAEs reported that accreditation improved their access to non-GCF climate finance, potentially reflecting the capacity and experience gained during accreditation. Recently accredited DAEs reported the most positive perceptions, an early signal that reforms are moving in the right direction. DAE interviews during country visits further indicated that accreditation had strengthened their policies and procedures, while enhancing their credibility with lenders by demonstrating that they met GCF standards. Some DAEs also reported securing financing from other bilateral and multilateral sources for project ideas originally developed for the GCF.
25. **The GCF's prioritization of private sector engagement successfully increased its private sector portfolio during GCF-2.** The 2022 Private Sector Strategy, USP-2 and the subsequent 50by30 vision established private sector engagement as a GCF priority. To advance this priority, the Private Sector Facility (PSF) reorganized itself to increase its focus on thematic investment areas rather than financial instruments. The PSF also hired more staff with technical and commercial expertise and increased outreach to potential partners, including through the GCF private investment for climate conferences. Nearly three quarters of surveyed private sector AEs agreed that events, conferences and Secretariat outreach directly stimulated their interest in submitting a funding proposal. These reforms led to a spike in private sector projects, with more than half of them approved since 2022. Similarly, private sector projects increased from 18 per cent of the portfolio during the Initial Resource Mobilization period (2015–2019) to 26 per cent during GCF-2 so far (2024–2027), while their share of total GCF financing rose from 34 to 37 per cent over the same period. Interviewees and USP-2 progress data also indicate that recently approved private sector projects better reflect GCF priorities than previous ones, through greater attention to adaptation, wider use of financial instruments and increased engagement with local financial institutions.⁵⁵ More than 80 per cent of surveyed private sector AEs agreed that the GCF enabled innovation by supporting local early-stage ventures, emerging business models and new climate initiatives. As of January 2026, the Secretariat has integrated PSF staff into regional teams, as part of its broader reorganization. Secretariat staff and AEs expressed concern that this new structure could disrupt positive momentum, yet they also expressed optimism that it could improve coordination between public and private climate finance at the country level and thereby support private finance mobilization.

⁵³ Green Climate Fund, *Updated Monitoring and Accountability Framework for Accredited Entities*.

⁵⁴ GCF/B.45/03, paras. 12–13, 23; Green Climate Fund, *GCF Reform Journey*, 13. Submission-stage breakdown: 49 national direct access, 11 regional direct access, 28 international access applicants.

⁵⁵ GCF/B.45/Inf.11; GCF/B.45/Inf.12.

26. **Despite progress, the GCF has not sufficiently clarified how private sector projects fit within the GCF's country ownership model, creating uncertainty among countries and AEs.** Country and AE partners have lacked clarity about how private sector projects fit within the GCF's country ownership model. For example, many NDAs had believed signing a no-objection letter (NoL) effectively guaranteed financing would flow into their countries, whereas AEs viewed NoLs as permission to pursue project opportunities as part of broader pipeline development, according to country, AE and Secretariat interviews. Country visits also found that many incorrectly believed GCF support for private sector projects would reduce the funding available for public projects and therefore hesitated to issue NoLs. Country representatives are dissatisfied with the lack of in-country results from legacy multi-country projects, especially private sector ones. Several country partners also said they would not participate in future multi-country private sector projects for similar reasons.
27. **The GCF's processes remain too slow, inflexible and inconsistent for private sector transactions, weakening partner interest and causing some deals to be lost.** Private sector AEs reported long and uncertain appraisal timelines and requirements that do not provide the clarity, flexibility or speed needed to complete commercial transactions. Several said inflexible negotiations over terms and conditions hindered innovation and implementation, while others lost subproject deals during prolonged exchanges with the GCF over disclosure requirements. Securing NoLs is another significant source of uncertainty and delay, especially for multi-country projects, according to interviews. Secretariat and AE interviewees also said that the GCF made inconsistent decisions on acceptable structures, financing terms and fee payments during project solicitation, appraisal and implementation. They further reported that differing approaches among the PSF and the GCF's legal, risk and policy-compliance functions created inconsistencies. As a consequence, the GCF gave private sector AEs mixed messages about the types of projects the GCF prefers and the requirements that apply to them. Several AEs said they wanted greater clarity before pursuing new projects, while others stopped engaging with the GCF because of these frustrations. These problems have persisted since GCF-1, when the SPR found that project-cycle processes were neither fast nor sufficiently tailored to private sector needs. More than half of surveyed private sector AEs felt that GCF policies on safeguards, project costs, currency risk, and risk management were too rigid during implementation, preventing AEs from flexibly adapting. The GCF's PSAA has provided an alternative to institutional accreditation and attracted a wider range of private sector entities and project types, but it has only addressed some of the broader process constraints.
28. **Weak enabling environments and the global shortage of private finance-ready projects constrain GCF private sector engagement, and RPSP support has only modestly addressed these barriers.** Private climate investment depends on the enabling environment, including reliable data, market incentives, investment-ready projects, supportive public policies, and regulatory and financial frameworks.⁵⁶ Many GCF-eligible countries, especially those with high perceived political and macroeconomic risks, lack these supportive conditions. Published studies, an IEU evaluation, and interviews with AEs, Secretariat staff and climate experts also identified a global shortage of investment-ready projects, particularly in adaptation and frontier markets.⁵⁷ These constraints limit the potential for private sector engagement more than capital availability. They particularly affect vulnerable countries, least developed countries (LDCs) and small island developing States (SIDS);

⁵⁶ See, for example, World Bank, *Creating an Enabling Environment for Private Sector Climate Action: An Evaluation of World Bank Group Support, Fiscal Years 2013–22*; Organisation for Economic Co-operation and Development, *Private Finance for Climate Action: Estimating the Effects of Public Interventions*.

⁵⁷ Organisation for Economic Co-operation and Development, *Private Finance Mobilisation Report 2026*; Independent Evaluation Unit, *Independent Evaluation of the Green Climate Fund's Energy Sector Portfolio and Approach*.

for instance, globally only 8 per cent of mobilized private climate finance supports projects in LDCs.⁵⁸ IEU analysis found that within GCF private sector multi-country projects, LDCs and SIDS received lower disbursements than other participating countries.⁵⁹ The GCF's RPSP can strengthen local financial institutions and develop private investment pipelines,⁶⁰ but readiness contributions to catalysing private sector finance have been limited to date.⁶¹ GCF country programmes and other national climate-investment planning processes have rarely involved private sector actors meaningfully, limiting these programmes' contributions to removing investment barriers and developing projects.⁶² The revised RPSP strategy responds by involving private sector stakeholders in country planning and supporting private sector DAEs to develop projects; however, these reforms are too recent to assess.

29. **The GCF helped advance coordination among multilateral climate funds (MCFs), but deeper operational alignment remains limited.** The value of such coordination lies in reducing fragmentation, duplication and transaction costs for countries working across multiple MCFs, MDBs, international financial institutions (IFIs), standards and reporting systems. The GCF, Global Environment Facility, Adaptation Fund, Climate Investment Funds and, more recently, the Fund for Responding to Loss and Damage have all moved from broad commitments towards more organized collaboration. The GCF–Global Environment Facility (GEF) Long-term Vision on Complementarity, the MCFs' Climate Project Explorer, joint Conference of the Parties (COP) events, and regular working groups support coordination and information-sharing. HRMF-related collaboration and the first MCF joint results report have also advanced results alignment by aggregating results against common indicators and improving institutional alignment of measurement systems. The climate finance architecture also links MCFs with MDBs and other IFIs; Climate Investment Funds delivers its finance through MDBs, while the GCF works with MDBs and other IFIs through regional dialogues and MDB-led investment platforms (including arrangements in which MDB technical assistance prepares projects for GCF financing). Structured coordination arrangements such as task forces and working groups, along with dialogue, knowledge products and joint reporting, have advanced further than deeper operational alignment that could materially change how countries access and combine financing across institutions. Separate governing bodies, replenishment cycles, programming processes, approval systems and accountability arrangements continue to constrain such alignment.
30. **GCF programming includes important examples of complementarity, but these are not yet part of a consistent delivery model.** Evaluations, interviews, country visits and the portfolio review identified cases in which GCF programming built on, followed or scaled earlier support from other climate funds, IFIs and bilateral donors. In Ecuador and Angola, GCF investments followed or scaled Adaptation Fund programming in related adaptation areas. In Papua New Guinea, GCF support built on the GEF-supported REDD+ architecture and institutional foundations. The GCF–Climate Risk and Early Warning Systems Scaling-up Framework links technical assistance from the World Meteorological Organization, the World Bank and the United Nations Office for Disaster Risk Reduction to larger GCF investments, including in the Caribbean and under the Early Warnings for All (or EW4All) initiative. In Burkina Faso, Dominica, Jordan and Madagascar, AEs

⁵⁸ Organisation for Economic Co-operation and Development, *Private Finance Mobilisation Report 2026*.

⁵⁹ IEU analysis comparing activities and disbursements by country in recent APRs (2023 and 2024) compared to countries listed in funding proposals.

⁶⁰ Green Climate Fund, *Strategic Plan for the Green Climate Fund 2024–2027*.

⁶¹ Green Climate Fund, *Evaluation of the Outcomes and Impact-Level Results of the Readiness and Preparatory Support Programme*.

⁶² Independent Evaluation Unit, *Independent Evaluation of the GCF's Approach to Country Ownership*; Organisation for Economic Co-operation and Development, *Private Finance Mobilisation Report 2026*.

designed GCF projects using the policy, investment or analytical foundations developed by bilateral providers or IFIs, rather than starting from scratch. These cases show how the GCF can apply earlier investments and avoid duplicating preparatory work. However, interviews and country visits highlighted that these examples are not representative of a portfolio-wide approach. The portfolio review found no systematic pattern of joint planning, co-investment or integrated delivery across GCF programming.

31. **The GCF encourages programming complementarity but does not mandate it or have the operating model to effectively coordinate partners.** The GCF's funding proposal process asks AEs to articulate project complementarities and coherence with other climate finance institutions but does not require AEs to account for these complementarities during implementation. Readiness support offers resources to strengthen country-level coordination mechanisms, without requiring coordination across climate funds, financiers and partners.⁶³ GCF-supported country platforms offer a more promising approach by enabling governments to prioritize, sequence and align investments, such as in Brazil and Ghana. However, country visits, interviews and early platform experience also suggests that success depends on stronger alignment between the GCF, MDBs, AEs and other partners around national investment plans and priorities. The GCF also lacks the mandate, operating model or in-country presence to coordinate these institutions across active country portfolios. These limitations help explain why GCF programming complements other climate finance selectively rather than systematically.

⁶³ Green Climate Fund, *Revised Readiness Results Management Framework: Handbook*.

C. PROGRAMMING AND RESULTS

32. **The GCF rapidly increased programming in GCF-2 while meeting most of its resource allocation and strategic programming targets.** In the first two and a half years of GCF-2, the Board approved approximately USD 7.1 billion in GCF funding – already more than 50 per cent of the USD 13.5 billion approved in the preceding eight years.⁶⁴ Expected co-financing at approval also increased by about USD 23 billion.⁶⁵ The total expected co-financing ratio⁶⁶ increased from 2.9:1 in GCF-1 to 3.2:1 in GCF-2, due largely to a small number of high-leverage private sector projects, whereas on a per-project basis, the average and median expected co-financing ratios decreased relative to GCF-1. As programming expanded, resource allocations remained consistent with the Governing Instrument priorities to balance adaptation and mitigation resources and direct adaptation resources to particularly vulnerable developing countries. Adaptation accounted for 60 per cent of total GCF funding on a grant-equivalent basis, compared with 40 per cent for mitigation, and LDCs, SIDS and African States received 65 per cent of adaptation finance on the same basis. The GCF also achieved most of the strategic programming targets established in USP-2. Many of these targets established expectations for the number of countries supported, or anticipated results by theme or sector, including transport, food systems, clean energy, ecosystems, infrastructure, early warning systems (EWS), buildings and industry, adaptation-only, and national and regional financial institutions. The latest comprehensive Secretariat assessment reported that 8 of the 11 USP-2 targets had been met or exceeded and 3 were in progress.⁶⁷
33. **Fund-wide climate results have doubled in GCF-2 from GCF-1, a trend that is set to continue as projects advance and report more results.** Fund-wide results are calculated by aggregating project reporting through APRs on results achieved against the core and supplementary indicators in the GCF's Integrated Results Management Framework (IRMF). AE-reported adaptation beneficiaries⁶⁸ more than doubled, from 141 million at the end of GCF-1 in 2023 to 377 million in 2025, while reported greenhouse gas (GHG) emission reductions also doubled, from 71 MtCO₂eq to 147 MtCO₂eq.⁶⁹ Through 2025, GCF projects also reported 38.5 million hectares of natural resource area brought under improved low-emission and/or climate resilience management practices, and USD 1.13 billion of physical assets made more resilient and/or able to reduce GHG emissions.⁷⁰ Based on APR submissions through July 2026, about half of the portfolio had reported adaptation beneficiaries (which is the GCF's core indicator 2), compared with a third of the portfolio that had

⁶⁴ GCF/B.38/Inf.08: Status of the GCF portfolio: Approved projects and fulfilment of conditions, February 12, 2024. <https://www.greenclimate.fund/board-document/gcf-b38-inf08>.

⁶⁵ Calculated between B.38 and B.45. See GCF/B.45/Inf.11.

⁶⁶ Comprehensive data on actual co-financing expenditures were not available to the IEU at the time of writing and are expected to be included in the final report of the TPR.

⁶⁷ GCF/B.44/Inf.08. Strategic targets for the following were reported as met or exceeded: climate information and early warning systems; food systems; ecosystems; climate-resilient infrastructure; clean energy generation and access; clean and efficient end-use energy in transport, buildings and industry; adaptation proposals; and financial institutions. Integrated investment planning and pipeline support remained at 50 countries against a target of more than 100, while early-stage ventures and micro-, small- and medium-sized enterprises (MSMEs) stood at 646 against a target of 900–1,500. By B.45, 18 new DAEs had approved funding proposals against the target of 29 new DAEs. These are Secretariat-reported programming estimates and are not directly comparable with the USP-2 tracking undertaken for the TPR synthesis report. For several targets, including food systems, ecosystems, MSMEs and financial institutions, differences in the IRMF indicators applied or the absence of a direct IRMF indicator meant that the TPR team could not fully reconcile its calculations with the reported figures.

⁶⁸ Includes both direct and indirect adaptation beneficiaries.

⁶⁹ Based on APR data extracted and cleaned by DMEL as of July 31, 2026.

⁷⁰ Based on APR data extracted and cleaned by DMEL as of July 31, 2026.

reported GHG emission reductions (the GCF's core indicator 1).⁷¹ IEU analysis indicates that adaptation projects report beneficiaries as implementation and disbursement advance, whereas emission reductions typically occur later in the project lifetime, leading to natural reporting lags. Underreporting also remains a concern. One quarter of projects in advanced implementation⁷² have not reported against relevant core indicators because of monitoring shortcomings, implementation delays or interventions that produce results only after planned implementation – for example, of infrastructure – becomes operational. That said, the portfolio remains young, with projects having an average planned implementation period of seven years; around half are about halfway through implementation, and only eight are classified as completed.⁷³ Reported results can be expected to increase as projects advance, although the scale of the increase will depend partly on whether the GCF addresses monitoring and reporting shortcomings.

34. **Fragmented results frameworks prevent the GCF from producing a complete portfolio-wide account of results, but the GCF is attempting to improve harmonization.** The IRMF, approved during GCF-1, introduced new indicators and adjusted methods from the earlier Performance Management Framework.⁷⁴ This prevents the GCF from aggregating many results across the portfolio. In GCF-2, Fund-wide reporting has expanded from reporting mainly on core indicators 1 and 2 – GHG emission reductions and adaptation beneficiaries reached – to include other core indicators as of 2024. Other aggregation constraints have also prevented consistent reporting on supplementary outcome indicators, including the number of people with improved water security or adopting climate-resilient livelihoods. Secretariat interviewees stated that the current system does not fully capture what GCF investments achieve, and Board members have called for more “ex-post results to understand the true impact of GCF”.⁷⁵ To address the gap, the Secretariat has developed an HRMF for B.46 to resolve inconsistencies between the IRMF and the Performance Management Framework and improve alignment with international efforts such as the Global Goal on Adaptation and the International Financial Institution Framework for a Harmonized Approach to Greenhouse Gas Accounting.⁷⁶
35. **Weaknesses in AE-reported data limit confidence in GCF results, although validation efforts are under way.** The IEU's 2026 *Synthesis on Monitoring and Evaluation* found that AEs do not consistently provide supporting evidence for reported results, sometimes report projected rather than achieved results, and often apply GCF core indicator guidance incorrectly.⁷⁷ A Secretariat-commissioned assessment also found that few funding proposals provided robust verification procedures or detailed indicator methodologies.⁷⁸ For the 2024 APRs, the Secretariat flagged more than half of the projects that reported GHG emission reductions as needing revisions because their data contained inconsistencies. According to interviews and Board reporting, the Secretariat responded by attempting to better validate results by digitizing reporting templates, introducing automated data validation and benchmarking reported results.⁷⁹ These measures, combined with

⁷¹ IEU calculations based on project-level cumulative values in the GCF Secretariat data set for core indicators used for B.46 reporting. The data set is based on data extracted and cleaned by DMEL as of 31 July 2026 and reflects APR submissions and resubmissions captured as of that date.

⁷² Projects were considered in advanced implementation as follows: 50 per cent of funds disbursed for adaptation projects, 75 per cent of funds disbursed for mitigation projects.

⁷³ Green Climate Fund, “All Projects.” All projects listed in this project portal were filtered by project status “Completed”, accessed August 2, 2026.

⁷⁴ GCF/B.45/Inf.12.

⁷⁵ GCF/B.43/22: Report of the forty-third meeting of the Board, 27–30 October 2025, March 22, 2026.

⁷⁶ <https://www.greenclimate.fund/board-document/gcf-b43-22>.

⁷⁷ Abram Alberdi et al., *Synthesis on Monitoring and Evaluation*.

⁷⁸ Ibid.

⁷⁹ Ibid., 22. The assessment is a GCF internal document.

⁸⁰ GCF/B.43/22.

improved indicator design in newer projects,⁸⁰ are expected to increase the consistency and credibility of GCF reporting.

36. **Most GCF projects perform well once they reach their interim evaluation and beyond.** Of the 359 approved projects, AE-led interim evaluations are available for 111 projects, with final evaluations available for 25. Three quarters of projects with interim evaluations are making satisfactory progress towards results at the midterm.⁸¹ Projects with final evaluations show similarly promising trends, with three quarters within the satisfactory range for results achievement, according to final evaluations.⁸² This performance is similar to peer institutions that also issue ratings in final evaluations, such as the GEF and World Bank.⁸³ Moreover, most GCF projects have achieved or surpassed targets at the outcome and impact level by their final evaluation, with 84 per cent of projects having surpassed at least one target and 57 per cent of completed projects having surpassed targets. Achievement rates were broadly similar across sectors, AE types and country groups. These findings suggest that GCF projects are likely to deliver results if they reach mature implementation.
37. **Adaptation projects have made strides in improving livelihoods and climate information outcomes.** Nine of the 12 adaptation projects with final evaluations achieved outcomes related to improved livelihoods, including for women and other vulnerable groups, while more than half reported climate information and early warning system (CIEWS) outcomes. Livelihood results include diversified income, job creation, improved market access and expanded livelihood operations that scaled from subsistence to commercial farming. These livelihood results also sometimes led to improved incomes, food security and environmental sustainability. The IEU's Learning-Oriented Real-Time Impact Assessment Programme impact evaluations confirm that the GCF achieved strong livelihood outcomes, but they also found that livelihood improvements did not always translate into durable household resilience. According to final evaluations, notable CIEWS results include expanded hydrometeorological monitoring networks, strengthened national meteorological and hydrological service capacity, and new or improved community-based EWS. The IEU's 2025 CIEWS Evaluation found positive project results but concluded that weak user engagement, limited co-production of climate services, inadequate last-mile connectivity and poor cross-border coordination constrained the potential for EWS to drive a paradigm shift.⁸⁴
38. **Most mitigation projects at final evaluation delivered cost-effective power generation and low-emission energy access, but they sometimes struggled to mobilize finance and develop markets.** GCF-supported mitigation projects increased solar and wind generation capacity by constructing solar power plants and wind turbines, and to a more limited extent, by issuing loans to micro-, small- and medium-sized enterprises to expand their development and use of renewable energy. Several projects reported increasing local renewable energy generation capacity at reduced costs, sometimes lower than originally anticipated in project designs. A Secretariat-commissioned study reinforced that GCF projects are delivering GHG emission reductions cost-effectively. The study shows that the average abatement cost of USD 22.8 per tCO₂eq is well below the 2024 carbon price reported for the European Union emissions trading system compliance market and at the lower end

⁸⁰ Reumann et al., *The Fourth Evaluability Assessment of the Green Climate Fund's Funding Proposals*.

⁸¹ This IEU-led analysis is based on a review of interim evaluations; it includes the 58 projects that provided a rating on progress toward results (or related criteria, such as progress toward outcomes).

⁸² This IEU-led analysis is based on a review of final evaluations and the achievement of outcome-level and impact-level indicators as per projects' results framework as reported in projects' AE-led final evaluations.

⁸³ Global Environment Facility Independent Evaluation Office, *Integration for Greater Impact: Eighth Comprehensive Evaluation of the GEF*; World Bank, *Results and Performance of the World Bank Group 2024: Managing Results in an Uncertain World (English)*.

⁸⁴ Independent Evaluation Unit, *Independent Evaluation of the GCF's Approach to and Portfolio of Climate Information and Early Warning System Interventions*.

of the voluntary carbon market range.⁸⁵ Other mitigation projects improved household access to low-emission improved cookstoves and worked with producer organizations to strengthen value chains for the cookstoves. Still, projects fell short on mobilizing finance and developing markets, with 60 per cent of related outcome targets not achieved. Final evaluations attributed these shortfalls to planned activities or investments not materializing, targets not aligning with project designs, and capital requirements that exceeded available resources.

39. **Projects report their contributions to paradigm shift inconsistently because of uneven understanding of the concept, despite efforts to standardize measurements.** The GCF's Governing Instrument mandates the Fund to promote a "paradigm shift towards low-emission and climate-resilient development pathways" in developing countries.⁸⁶ The 2021 IRMF identifies paradigm shift potential as the highest level of change in the GCF results architecture. It instructs projects and programmes to assess their contributions across three dimensions – scale, replicability and sustainability – building on the approach established in the GCF's initial Investment Framework.⁸⁷ The Secretariat also introduced a scorecard to standardize paradigm shift assessments in interim and final evaluations. Reporting nevertheless remains limited. Only about 10 per cent of interim evaluations have used the scorecard since its introduction, and just 40 per cent assess paradigm shift at all. The IEU's systematic review of final evaluations also found projects inconsistently reported the three dimensions. Most final evaluations assess scale, but they often use scale and replicability interchangeably. Most also assess project sustainability, but they do not consistently connect it to the project's contribution to paradigm shift. These inconsistencies prevent a holistic assessment of paradigm shift. Previous IEU evaluations, including the 2023 SPR, found that country and entity partners find the concept ambiguous,⁸⁸ even after the IRMF introduced the three dimensions. That said, country visits and the review of AE-led final evaluations identified emerging signs of projects contributing to paradigm shift. However, inconsistent understanding and reporting of paradigm shift still prevent a portfolio-wide assessment of the GCF's contribution.
40. **Disbursement delays are widespread in the GCF portfolio, often caused by prolonged loan negotiations, project design flaws, and entity and country capacity constraints.** The GCF has disbursed only 60 per cent of the funds scheduled under funded activity agreements (FAAs), and realized⁸⁹ disbursement is below scheduled levels in more than three quarters of funded activities. The reasons for these delays are many, according to data analysis and interviews. IEU data analysis found that no single factor – such as financial instruments, project size, sector, multi-country structure, access modality, entity size and country context – strongly predicts disbursement gaps.⁹⁰ Interviewees often identified prolonged negotiations of subsidiary agreements for loan-based projects as a source of delay. Loan-based projects involving subprojects may face further delays because they require more extensive identification, screening and due-diligence processes, or additional subsidiary agreements. Sovereign loan-based projects also often involve government co-financing that must be validated and may require parliamentary approval. Secretariat and AE interviewees also said project design flaws were contributing to implementation and disbursement delays, such as overly complicated or poorly structured projects. Delays are more common in DAE-

⁸⁵ Green Climate Fund, *A Decade of Global Climate Action: Building Resilience, Transforming Lives*.

⁸⁶ Green Climate Fund, *Governing Instrument for the Green Climate Fund*.

⁸⁷ Green Climate Fund, *Integrated Results Management Framework*. The IRMF was adopted by the Board in decision B.29/01 and has applied since B.32.

⁸⁸ Independent Evaluation Unit, *Second Performance Review of the Green Climate Fund*; Independent Evaluation Unit, *Independent Evaluation of the GCF's Result Area "Health and Well-Being, and Food and Water Security" (HWWF)*; Independent Evaluation Unit, *Independent Evaluation of the Green Climate Fund's Energy Sector Portfolio and Approach*.

⁸⁹ GCF/B.43/Inf.10/Add.01.

⁹⁰ IEU analysis based on iPMS data on disbursement against schedule, as of February 2026.

led projects than in IAE-led projects, which interviewees and AE survey respondents attributed to capacity limitations among DAEs. AEs also identified executing entity capacity constraints as one of the most frequent causes of disbursement delays in the TPR survey. Disbursement rates are particularly low in LDCs and SIDS, where respectively only 38 per cent and 34 per cent of scheduled funds have been disbursed.⁹¹ Evidence attributes these lower rates to institutional capacity constraints, difficulties identifying and hiring qualified experts, particularly in SIDS, and the greater logistical and operational complexity of remote or dispersed locations such as archipelagos.

41. **Projects tend to overcome modest disbursement delays, but projects with severe delays underperform, leaving GCF capital idle and unproductive.** There are indications that projects can recover from modest delays. For instance, projects from earlier programming periods (B.11–B.20) that are more advanced in implementation have closed median disbursement gaps to near-zero.⁹² Similarly, nearly half of projects rated satisfactory in their interim evaluations are experiencing some disbursement delays. However, according to IEU data analysis and interviews, severe disbursement delays are affecting about a quarter of projects.⁹³ Among active projects, 17 per cent have disbursement gaps of two to four years, and 7 per cent have gaps of over four years.⁹⁴ Among projects at least halfway through their planned implementation period, 27 per cent have received less than half of scheduled funds, including 13 per cent that have received less than a quarter.⁹⁵ Projects with severe delays account for approximately USD 2.2 billion, or just over 10 per cent of all committed resources, tying up a considerable proportion of GCF resources. These disbursement delays affect project performance and can be compounding. For example, interviewees highlighted that severe delays can leave projects less relevant as the operating timeline lengthens and context changes. Similarly, disbursement delays may force projects to dismiss staff, causing further delays and institutional memory loss. An IEU data analysis also shows that projects with severe disbursement gaps report less progress towards results targets than those with minor or no disbursement gaps. Secretariat and AE interviews indicated that the Secretariat is exercising its authority under the MAF to put some AE project pipelines on hold until disbursement and/or performance improves, or to cancel projects altogether. Some Secretariat staff advocated for even more cancellations to reallocate dormant resources to more productive activities.
42. **Effective portfolio management has been constrained by policy, capacity and information shortcomings, although reforms are under way.** AEs are primarily responsible for project implementation, and the Secretariat is responsible for portfolio management, which includes ensuring timely project implementation, GCF policy compliance, appropriate risk mitigation and results delivery. The Secretariat is also responsible for processing requests to change or restructure projects, although the GCF's Policy on Restructuring and Cancellation, which is currently under review, does not clearly define what changes qualify as major versus non-major changes, creating uncertainty for which changes the Secretariat can approve or must elevate to the Board.⁹⁶ Further hindering effective portfolio management are staff turnover, limited staffing relative to portfolio

⁹¹ GCF/B.43/Inf.10/Add.01.

⁹² IEU analysis based on iPMS data on disbursement against schedule, as of February 2026.

⁹³ Independent Evaluation Unit, *Independent Evaluation of the GCF's Approach to and Portfolio of Climate Information and Early Warning System Interventions*; Independent Evaluation Unit, *Independent Evaluation of the GCF's Approach to Country Ownership*.

⁹⁴ iPMS disbursement data as of July 30, 2026. Sample is 301 approved projects with an FAA budget line, of which 223 are active (at least one disbursement received and not yet 100 per cent disbursed); percentages relating to active projects are calculated as shares of this group. Seventy-six projects are excluded as they are 100 per cent disbursed and no longer at risk of halting, and 2 projects, FP093 and FP096, are excluded as they are FAA effective but have zero disbursements to date and are therefore too early to place on a halt timeline.

⁹⁵ IEU analysis based on iPMS data on disbursement against schedule, as of February 2026.

⁹⁶ GCF/B.45/16.

size, and mismatched responsibilities and staff capacities, according to Secretariat and AE interviewees. In particular, Secretariat interviewees were concerned that, as part of the organizational restructuring, many staff have been assigned new portfolio management responsibilities, without sufficient expertise or sufficient training in project risk oversight. Information gaps further constrained the Secretariat's portfolio management by limiting its ability to identify challenges in real time and help AEs resolve them. Only half of AEs agreed that the Secretariat's approach to project risk management has involved early identification of issues, according to the TPR survey. At the same time, the GCF began implementing reforms to shift towards a real-time, data-driven approach to portfolio management. The Secretariat introduced data dashboards, digitized AE APRs, and tools to monitor disbursement trends and implementation performance. It also integrated an enterprise risk system and a project risk and opportunity mapping methodology with digital portfolio management, which should allow the Secretariat to oversee implementation risks on a rolling basis, rather than only annually. Board decision B.45/16 also requests the Secretariat to present a revised Policy on Restructuring and Cancellation for Board consideration.

43. **The GCF's adaptive management of its portfolio is constrained by slow and cumbersome change request processing.** Adaptive management through change requests and restructuring helps climate change interventions course-correct to address uncertainty and changing contexts and ultimately achieve their objectives.⁹⁷ As the GCF portfolio has grown, change request submissions have outpaced approvals in GCF-2, and about one in three projects submitted a change request in 2025. However, survey, portfolio and interview evidence all indicate that the GCF processes these requests slowly, creating a growing backlog of pending requests. Among change requests submitted between December 2024 and July 2026, approved change requests have been processed in 88 days, on average, whereas change requests that have not yet been approved are still awaiting a decision at 229 days, on average.⁹⁸ Among AE survey respondents, 62 per cent thought the GCF's processing time for major change requests was unacceptable, compared to 52 per cent for non-major changes. Interviewed AEs frequently identified GCF adaptive management procedures as a top concern, describing them as slow, rigid and procedurally heavy. They report that even minor implementation adjustments often trigger prolonged information requests and formal processes, increasing transaction costs, limiting AEs' ability to respond to evolving conditions, and delaying action on the ground. AEs also sometimes contribute to delays in adaptive management – for example, through insufficiently clear proposed changes or justifications. Both AE and Secretariat interviewees see these delays as a particular concern for projects operating in dynamic environments, such as those affected by market volatility, government change or fragility, which require greater agility and flexibility than current processes allow. The current Policy on Restructuring and Cancellation does not provide differentiated approaches for countries particularly vulnerable to climate change.⁹⁹

⁹⁷ Rogers and Macfarlan, *What Is Adaptive Management and How Does It Work?*

⁹⁸ Analysis considers change requests submitted between December 3, 2024 and July 28, 2026. During that period, 267 change requests were submitted across 172 projects, of which 150 were approved, 114 are pending, and 3 are closed. Closed requests have no approval date and were excluded from both approved and pending timing figures. The 150 approved requests took an average of 88 days from initial submission to approval. The 114 requests that remained pending had already been open for an average of 229 days as of July 31, 2026. As a result, these figures are not directly comparable measures of processing time: the first measures completed processing periods, whereas the second measures elapsed time to the data cut-off for requests that had not yet reached a decision. Data source: GCF DMEL Change Request Impact Dashboard export, snapshot as of July 31, 2026.

⁹⁹ GCF/B.45/16.

D. GCF IN THE MULTILATERAL SPACE

44. **The GCF is central to the multilateral climate finance architecture and symbolizes a collective vision of equitable climate action.** Its central position derives from its formal role and scale. The GCF is an operating entity of the UNFCCC's financial mechanism, serves the Paris Agreement and has a larger portfolio than other MCFs. It is accountable to and operates under guidance from the COP (the governing body of the UNFCCC) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA, the governing body of the Paris Agreement). Its governance and operations also embody principles of equitable climate finance. The GCF Board gives developed and developing countries equal representation in governing and supervising the Fund. Its balanced allocation to mitigation and adaptation, grants and concessional finance, direct access, readiness support, and explicit attention to LDCs, SIDS and African States reflect shared concerns about access and distribution. Its requirements concerning country ownership, gender, Indigenous Peoples, environmental and social safeguards, and fiduciary standards signal broader principles for how climate finance should be delivered. Continuing COP and CMA guidance reinforces this role. For example, the New Collective Quantified Goal on Climate Finance expresses collective ambition on climate finance and assigns an important role to the operating entities and other MCFs. The GCF therefore has political significance beyond the volume of finance it provides because its governance, financing priorities and operating standards give institutional form to a collective vision of equitable climate action.
45. **The GCF's broad representation strengthens its legitimacy but creates competing priorities, as reflected in strategies and expectations of its performance.** The GCF Board's equal representation of developed and developing countries and the GCF's wide consultations give many stakeholders a voice in GCF decision-making. As discussed earlier, these diverse views contributed to the USP-2's inability to sufficiently prioritize investment choices and the resulting broad but shallow investment coverage. However, the consequences extend beyond USP-2, with stakeholders assigning different weight to the Fund's larger objectives and potential directions, according to interviews, country visits, foresight analysis and the wider literature. For example, TPR country evidence shows that country partners commonly emphasize access, readiness, adaptation finance and institutional strengthening; international partners emphasize coordination and system coherence; contributors emphasize scale, mobilization and demonstrable transformation; and private sector actors emphasize speed, risk appetite and market alignment. A 2026 peer-reviewed analysis of GCF Board deliberations from 2016 to 2022 found developed countries emphasized private sector finance and co-financing, whereas developing countries emphasized concessional finance and fairness.¹⁰⁰ A sociological analysis of GCF governance described the Fund as presenting itself as an "all-embracing organization that pieces together different aims, norms, and actors into a coherent and working unit" but questioned whether these aims were truly coherent and could be fully reconciled.¹⁰¹ The breadth of objectives and potential directions reinforces the GCF's legitimacy and a broad role within the climate finance architecture, but also contributes to permissive strategies and multiple standards against which its performance is assessed. As the GCF has matured through three strategic periods, expectations across the partnership have increasingly shifted from approvals and ambition towards more efficient access and implementation, alongside credible evidence of realized results and impact.

¹⁰⁰ Ahmed and Kuhl, "Power Dynamics and the Politics of Climate Finance."

¹⁰¹ Bertilsson, "The Governance of Global Climate Finance: The Management of Contradictions, Ambiguities and Conflicts in the Green Climate Fund."

46. **The GCF occupies a relatively small part of the global climate finance flows, but its value lies in areas inadequately served by the wider landscape.** The Climate Policy Initiative estimates that global climate finance from all public and private sources exceeded USD 2 trillion in 2024, of which MCFs accounted for USD 3.4 billion, or 0.2 per cent.¹⁰² In the same period, the GCF committed USD 2.5 billion, illustrating the scale of its programming relative to other funds. That said, global adaptation finance plateaued at USD 64 billion in 2024 and did not increase for the most vulnerable countries. LDCs and SIDS continued to depend primarily on international public finance, and global flows to LDCs fell by 24 per cent from the previous year. Grants and highly concessional public debt therefore “remain irreplaceable for many LDCs”, according to the Climate Policy Initiative.¹⁰³ The GCF directly targets these financing gaps through its focus on adaptation and vulnerable countries and its provision of grants, concessional finance, readiness support and institutional strengthening. TPR interviews found that the GCF provides its greatest comparative value in higher-risk, lower-capacity and underserved contexts through support for adaptation, readiness, country-owned programming and institutional strengthening. Country visits also highlighted its ability to combine this support with investments at scale. In Saint Lucia, the GCF provides less than 5 per cent of climate finance but stands out for providing concessional finance in a high-debt context and readiness support that strengthens the enabling environment. In Mauritania, the scale of GCF finance provides a comparative advantage. In the Federated States of Micronesia, the GCF combines financing at scale with support for policies and institutional capacity.
47. **The GCF’s normative role may evolve as climate finance becomes more fragmented, constrained and uneven in who it serves.** The TPR’s 2025 foresight study considered four possible futures based on the strength of international climate change cooperation among countries and the availability of public and concessional climate finance.¹⁰⁴ In a scenario of strong cooperation and ample finance, the GCF could be positioned as a climate finance system architect and access champion. A scenario of strong cooperation but scarce finance could make the GCF a steward of limited concessional capital. A scenario of weak cooperation and continued finance could create a role for the GCF to connect competing political blocs, institutions and standards. A scenario of weak cooperation and scarce finance could make the GCF a lifeline for vulnerable countries. Some scenarios also anticipate that donors will increasingly allocate official development assistance according to commercial and geopolitical interests rather than vulnerability and development needs. This shift would make the GCF’s political legitimacy, equity mandate, risk appetite and concessional resources increasingly important for reaching underserved countries. Across all four futures, the GCF’s relevance depends less on matching the scale of larger institutions than on serving needs that private markets, MDBs and fragmented donor channels are unlikely to meet.

¹⁰² Climate Policy Initiative, *Global Landscape of Climate Finance 2026*.

¹⁰³ *Ibid.*, 5.

¹⁰⁴ Independent Evaluation Unit, *IEU’s Foresight Study on Climate Finance: Technical Discussion Paper*.

3. POSTSCRIPT

48. This interim report is not expected to provide specific conclusions and recommendations of the TPR, in the strict sense of an evaluation exercise. The evaluation will conclude only in 2027, at which point a full set of conclusions and recommendations will be available for the Board's consideration. However, the current data and analysis point towards some concluding directions, which are presented below. These should be regarded only as preliminary and may change by the end of the TPR. They are included here to elicit readers' reflections and comments.
49. The evidence collected so far indicates that the GCF has made substantial progress during GCF-2 in addressing long-standing institutional and operational challenges. At the same time, several earlier challenges persist, while new ones are emerging as the Fund and its portfolio grow and the external climate finance environment changes. The GCF has improved and matured, but it has not yet converted institutional reform into a coherent, strategically directed, portfolio-level transformation. With this background, at this interim stage of the TPR, the following overlapping areas likely to require attention going forward are discernible.
50. **Strategic precision.** Like many multilateral institutions, the GCF continues to follow a “do it all approach”, which can result from endeavouring to reconcile broad political priorities but also lead to ambiguity in strategy and operations. USP-2, like previous GCF strategies, has provided broad guidance, not sufficiently specific to guide a multi-billion-dollar fund. With additional pressures on vulnerable countries, there is a pressing need to consider tensions among competing priorities, make consequential choices and direct finite resources towards targeted results.
51. **Portfolio logic.** The GCF has not yet articulated an explicit portfolio logic connecting its strategic priorities to the choices made across its different programming instruments and processes. Accreditation, the RPSP, project and portfolio selection, and results measurement are each guided by their own strategies, frameworks and processes but are not fully connected to collectively advance a common set of strategic objectives. Consequently, strategic priorities are not consistently used to guide everyday decisions across the organization.
52. **Organizational effectiveness.** While the profound internal changes of the GCF have been generally welcomed across the GCF partnership, some observations can be made. First, most changes still only incrementally address long-standing issues of efficiency and access hurdles, identified in GCF-1 and the Initial Resource Mobilization period. Each individual change is large but addresses a siloed issue, and the solutions are still not sufficiently interlinked. Second, many GCF systems are currently oriented towards addressing legacy institutional challenges, whereas the current climate finance context requires faster, more differentiated and outcome-oriented approaches across public, private, readiness and direct access programming. Taken together, the current reforms address important legacy constraints but do not yet amount to an integrated institutional model suited to the Fund's future scale and ambition, including those reflected in the New Collective Quantified Goal on Climate Finance and 50by30.
53. **Country partnerships.** Countries are the ultimate units of engagement, programming, delivery and performance of the GCF. With the experience of three strategic periods, several parts of the country partnership model have become apparent. First, the stated approach of “equal access” does not fully account for the differentiated needs and capacities of countries to access the GCF. Climate finance does not have one single pathway, and the GCF may need to perform different roles depending on country contexts. Second, and relatedly, while the GCF Secretariat is increasingly oriented towards

countries, there is still uncertainty about its role in regional offices. Third, countries have had limited foresight of GCF strategic choices. The emerging challenge is therefore to combine differentiated country engagement with greater predictability about GCF priorities, access pathways and expectations.

54. **Results and implementation.** During this strategic period, the GCF's results story has begun to emerge. The portfolio includes diverse projects, ranging from some underperforming or even stalled projects to others that have successfully concluded and delivered on their promised results. The TPR finds that projects reaching mature implementation perform broadly in line with comparator institutions. As part of the natural progression and institutional maturity, current evidence points to the need for adaptive management, attention to stalled or delayed projects, and a continued need for a results management architecture that credibly captures the impacts.
55. **The GCF's role.** During the current period, the GCF's comparative advantages have become further clear and reinforced. At its core, the GCF is a multilateral institution, aimed at addressing climate change as a multilateral problem. Its offer ranges from technical assistance and institutional support, up to investments at scale, altogether creating a bundle that responds to specific needs of diverse countries. In a more fragmented and unequal climate finance landscape, there is an increased value of such an institution that can protect equity, access, concessionality and common standards. While the GCF has continued to function as a pillar of the multilateral climate finance architecture, this conclusion sits alongside persistent concerns across the partnership about the Fund's ability to translate its ambition and institutional reforms into timely delivery and demonstrated results.
56. **The final report of the TPR will provide a detailed set of conclusions and recommendations for consideration by the Board and the Secretariat, well in time for B.47.**

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