



**GREEN
CLIMATE
FUND**

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Report on the activities of the Secretariat

Summary

This report provides an overview of the progress against the 2026 Secretariat work programme and key deliverables as at 30 April 2026, structured as follows:

- (a) Summary report highlighting key outcomes and Secretariat observations on the delivery of the 2026 work programme, including challenges and lessons learned;
- (b) Annex I: Secretariat results framework progress in 2026;
- (c) Annex II: 2026 programming metrics report;
- (d) Annex III: Revised Commitment Authority Framework.

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I. Executive Summary

1. This report on the activities of the Secretariat provides an overview of the progress against the 2026-2028 Secretariat work programme and budget. Reflecting the request of the Board for concise documents, this report presents the achievements and progress of the Secretariat as of 30 April 2026 and includes the execution of the 2026 administrative budget for the same reporting period (document GCF/B.45/Inf.02, "Report on the execution of the 2026 administrative budget of GCF"). Document GCF/B.45/Inf.11, "Status of the GCF resources, portfolio and pipeline" provides a more detailed view of the Fund.

2. The 2026–2028 Secretariat work programme reflects continued progress of top priorities for action – enhancing country ownership and access, delivering impact and results, and focusing on people and institutional strengthening. In 2026, the Secretariat's focus is on maintaining delivery of the Strategic Plan for the GCF 2024–2027 (USP-2), operationalizing reforms approved by the Board, and further improving institutional efficiency and effectiveness, while also preparing the Updated Strategic Plan for the GCF 2028–2031 (USP-3) and the GCF-3 replenishment.

3. In the first months of 2026, the Secretariat advanced implementation of key reforms approved by the Board, including the revised Accreditation Framework, the Monitoring and Accountability Framework, regional presence and the new Staff Regulations and Rules. Following the launch of the first application window under the revised Accreditation Framework, the Secretariat received strong interest from entities across regions and continued to operationalize the new accreditation approach through prescreening, stakeholder engagement, and supporting procedures and guidance. Progress also continued on regional presence implementation, including engagement with selected host countries and operational planning. In parallel, the Secretariat continued to advance the Efficient GCF initiative to improve processes, strengthen institutional systems, and support more timely and efficient delivery across the Fund.

4. In 2026, country platform initiatives gained further traction, with new readiness support approved and a growing set of platforms and related proposals advancing across regions to support nationally led investment pipelines. Support for direct access also deepened through the dedicated direct access entity (DAE) readiness window, while programming advanced for underserved countries and through proposals with locally led climate action components. At the same time, the integration of private sector capacity within regional departments is supporting more joined-up engagement with countries. Work is also advancing on selected strategic investment partnership opportunities through engagement with sovereign wealth funds, pension funds, insurance companies and prospective partners, alongside ongoing efforts to ensure alignment with national priorities, climate objectives and GCF programming pathways.

5. The Secretariat also continued to strengthen the leadership role of GCF within the evolving climate finance architecture. In 2026, GCF assumed the role of inaugural chair of the Multilateral Climate Funds collaboration mechanism and convened the first meeting of the Committee of Multilateral Climate Fund (MCF) Heads under the new governance arrangements. The Secretariat also co-hosted the first-ever dialogue between Multilateral Climate Funds and Multilateral Development Banks during the World Bank and International Monetary Fund (IMF) Spring meetings, supporting greater complementarity, coherence and coordination across the climate finance landscape in the lead-up to the thirty-first session of the Conference of the Parties (COP 31).

6. In the context of its broad institutional reforms, the Secretariat explored ways to manage its balance sheet more efficiently to support a higher level of investments while sustaining the implementation of robust financial and risk policies.

7. Looking ahead, B.45 also marks an important step in positioning the Fund for its next strategy and replenishment cycle. As climate finance needs continue to grow and the external financing environment becomes more constrained, the Secretariat is advancing preparations for GCF-3 and USP-3. This includes continued facilitation of an open, inclusive and transparent USP-3 consultation process and work to strengthen the Fund's resource mobilization approach, improve the use of existing resources, and explore a broader range of financial inputs, while maintaining the Fund's country-driven mandate and ability to deliver at scale in support of the NCQG and 50by30 vision.

II. Performance against 2026 work programme objectives

2.1 Country Ownership and Access

8. In the early months of 2026, the Secretariat continued advancing reforms aimed at simplifying access modalities, strengthening country ownership, and improving the predictability and efficiency of access to GCF resources. During the reporting period, efforts focused on operationalizing the revised Accreditation Framework (RAF), strengthening country platforms and direct access support, and further streamlining institutional processes and digital solutions across the project cycle.

9. Less than three months after the RAF became effective, the first pilot application window ran from 26 January to 6 April 2026. By 6 May, 83 applications had advanced to the nine-month review period, including 58 national applicants from 34 countries and regional DAEs. For paid applications, completeness checks have started, covering documentation, legal personality and sanctions screening.

10. As at 30 April 2026, 154 pre-screening questionnaires had been received from 71 countries. Of these, 58 applicants were invited to submit full accreditation applications, while the remaining questionnaires are under operational risk management and reputational impact review. Eligible applicants will be invited to the next window opening on 15 July 2026.

11. To facilitate implementation of the revised framework, updated guidance materials and stakeholder outreach activities were rolled out during the reporting period. This included dedicated sessions with the Accreditation Panel, current applicants and National Designated Authorities (NDAs), as well as a Secretariat-led session for Indigenous Peoples' Organizations, which reached 91 participants across Africa and Asia. Internal "Accreditation Hours" were also held to strengthen alignment among staff involved in accreditation processing and stakeholder engagement.

12. During the reporting period, the readiness proposal for the Dominican Republic, including country platform activities, was approved and disbursed. Additional country platform-related proposals also advanced, with proposals under review for the Caribbean regional platform, Oman, Equatorial Guinea, Cambodia, Namibia, Serbia, Sri Lanka and Jamaica, and further submissions expected during the remainder of 2026 from Lesotho, Togo, Zambia and The Gambia. India and Mongolia have also submitted offline proposals with country platform-related activities, reflecting continued traction across Africa, Asia, the Caribbean and other regions. In Brazil, the Climate and Ecological Transformation Investment Platform has also started to translate country platform engagement into investment pipeline, with 18 confirmed projects representing over USD 25 billion in potential investment opportunities. This includes two GCF investment decisions: the GEF Latam Climate Solutions Fund IV and the Responsible Commodities Facility – Deforestation and Conversion Free, approved at B.44.

13. Support to Direct Access Entities also expanded during the reporting period. A dedicated DAE support window provides up to USD 1 million over a four-year period per entity to

strengthen post-accreditation capacity, project development, implementation readiness, monitoring and reporting systems. As of 30 April 2026, 46 DAEs had submitted requests for support, with 29 advanced to proposal stage and 7 approved.

14. The Secretariat and the Adaptation Fund continued engaging with the Community of Practice for Direct Access Entities (CP-DAE) as a platform for peer learning, South-South cooperation and capacity strengthening. Discussions progressed on scaling up the initiative into a more structured and sustainable support mechanism that complements readiness support through collective learning and practical knowledge exchange among DAEs.

2.2 Delivering Impact and Results

15. Under its second priority on delivering impact and results, the Secretariat continued advancing efforts to strengthen high-impact, country-owned programming, while reinforcing the systems and partnerships needed to support portfolio delivery across the Fund. As the Fund enters the third year of GCF-2, programming efforts remain focused on projects and programmes aligned with country priorities, GCF investment criteria and USP-2 targets, taking into account the need for strengthened support to DAEs and the private sector against the backdrop of constrained commitment authority for the remaining period.

16. Knowledge management also received increased attention, including work to improve access to structured qualitative information and support easier retrieval and analysis of good practices through demand-led artificial intelligence tools developed in partnership with the AI Centre of Excellence and operational departments.

17. Programming momentum continued during the reporting period. For B.44, 18 funding proposals were submitted for review by the independent Technical Advisory Panel (iTAP), resulting in approvals of funding proposals for four new DAEs and for three underserved countries (Bahamas, Chad, and Jamaica). Additionally, prior to B.45, 13 funding proposals (including re-submissions) were submitted for iTAP review, including proposals involving new DAEs, first single-country proposals and proposals with strong Locally Led Climate Action components.

18. In 2026, eight private sector proposals (including re-submissions) were submitted to iTAP. Notably, six private sector proposals (including five PSAA proposals) were approved at B.44, representing a strong private sector programming. Following this, two funding proposals were submitted for iTAP's consideration B.45. With the Private Sector Facility now integrated within the four regional departments and Department of Strategic Investment Partnerships and Co-Investments (DSCI), the 2026 strategy has focused on pipeline execution, portfolio performance, country partnerships and projects with the highest likelihood of delivery. Complementary work also advanced on local private sector engagement, strategic investment partnerships and innovative financial structures aimed at increasing mobilization of private capital.

19. Implementation of the updated Monitoring and Accountability Framework, adopted by the Board at B.42, continued progressing from policy approval into operational design. Work advanced on early-warning systems, compliance and performance frameworks, and institutional reporting intended to strengthen portfolio oversight, accountability and transparency on Accredited Entities (AEs) performance and compliance. In April 2026, the funded activities Annual Performance Report (APR) was fully digitized and officially launched on the GCF Partner Portal, enabling more structured and data-driven reporting on implementation progress, results, risks and financial performance. By standardizing data inputs, embedding validation rules and improving data continuity across the project cycle, the digitized APR strengthens AE performance monitoring, supports risk-based oversight and provides a more consistent evidence base for institutional reporting and portfolio management.

20. In response to the Board-mandated 2026 review, the Secretariat has developed an updated Harmonized Results Management Framework (HRMF) to address fragmentation in GCF's results architecture. The continued coexistence of the Integrated Results Management Framework (IRMF) and the legacy Performance Management Framework (PMF) has limited portfolio-wide aggregation and increased reporting burden for Accredited Entities. The proposed HRMF consolidates these frameworks into a single, coherent approach, strengthening comparability of results and enabling more robust fund-level reporting on impact and performance.
21. The Secretariat also advanced efforts to strengthen complementarity and coherence across the climate finance architecture. As inaugural annual chair of the Multilateral Climate Funds in 2026, GCF convened the first meeting of the Committee of MCF Heads and supported a joint work programme focused on results, country support and programming. Beyond the MCF collaboration, the Secretariat co-hosted the first MCFs–MDBs dialogue with the COP30 Presidency during the 2026 World Bank and IMF Spring meetings.
22. The updated Gender Action Plan (GAP) for the GCF 2026-2031 will be submitted to the Board for consideration at B.45. Building on implementation experience under the Gender Action Plan 2020–2023, the update consolidates progress made to date while strengthening institutional accountability and impact through gender-responsive climate finance. Aligned with the GCF Strategic Plan 2024–2027 and relevant UNFCCC guidance, the updated GAP will guide the operationalization of the Gender Policy across GCF processes and partnerships, including through clearer roles and responsibilities for NDAs, AEs, Delivery Partners (DPs) and the GCF. It prioritizes strengthened governance, institutional accountability and improved transparency on resources allocated to gender-responsive climate finance, while supporting stronger capacity across the GCF and its partner ecosystem and a shift from compliance to measurable impact. Structured around the five policy-designated priority areas, the GAP provides a narrative outline and time-bound framework, while reflecting relevant alignment with the UNFCCC Belem Gender Action Plan where consistent with the GCF's mandate and strategic priorities. The overlaps are more evident in capacity-building, knowledge management and communication; gender-responsive implementation; and monitoring and reporting.
23. The Global Conference with Indigenous Peoples was held 8-10 April 2026 in Songdo, bringing together Indigenous Peoples, governments, AEs, multilateral climate funds and other partners, including from the UN, civil society and the philanthropy sector, to strengthen partnerships and identify practical pathways for improving Indigenous Peoples' access to climate finance. Discussions focused on Indigenous Peoples-led climate solutions, direct financing approaches and implementation of the GCF Indigenous Peoples Policy, while identifying barriers and opportunities to strengthen Indigenous Peoples' participation and leadership in climate action. The conference generated key messages and recommendations to reinforce GCF programming, policy development and collaboration with Indigenous Peoples.
24. Strategic communications increasingly focused on strengthening the Fund's positioning and visibility, while also preparing the ground for the GCF-3 replenishment cycle, the arrangements for which the Board will consider at B.45. The Fund's core narrative on its business model, reform agenda and portfolio impact was further embedded across stakeholder, partner and media engagement. Regional outreach and major international engagements also supported visibility of GCF's programming and institutional priorities, while preparations advanced for the launch of the revamped GCF website to strengthen transparency and communications on access and impact.
25. Regional presence also moved from Board consideration into implementation planning, marking a significant step in one of the Fund's major institutional reform initiatives. This included the preparation of document GCF/B.44/17/Rev.01, Operationalizing GCF regional presence: assessment results, proposed configurations and implementation plan, which

consolidated the assessment of eligible host country proposals and presented proposed configurations and implementation arrangements for the Board's consideration. At B.44, the Board adopted the regional presence configuration and selected the host locations for the regional and sub-regional offices.¹ Following these decisions, the Secretariat initiated engagement with the selected host countries, by commencing discussions on the host country agreements, and advanced implementation planning, including on operational set-up, staffing and related administrative requirements. As at the date of publication of this document, all selected host countries have received a draft host country agreement, consistent with Appendix II to Board Document GCF/B.42/12 and the template host country agreement that was made available through the GCF website to all submitting countries.

2.3 Focusing on People and Institutional Strengthening

26. The Secretariat progressed the development of standard operating procedures (SOPs) supporting implementation of the Staff Regulations and Staff Rules (SRR), with external consultancy and legal review supporting efforts to strengthen operational consistency and alignment with the broader governance framework. The first set of procedures is expected to support Phase II of Oracle implementation through the integration of revised clauses, workflows and approval structures into the system.

27. Under the Efficient GCF agenda, work focused on strengthening programming and institutional process efficiencies, preparing for the rollout of regional presence, and laying the foundations for an operational excellence framework. Efforts also included leadership and talent management initiatives, alongside investments in AI capacity to augment staff capabilities.

28. ERP implementation has strengthened process integration, transparency and reporting across procurement, disbursement, travel and budget execution. Current improvements focus on enhanced analytical dashboards, greater automation of reporting and data validation, improved consistency in the use of ERP data, and stronger integration of Oracle, finance and treasury functionalities to support tracking, analysis and operational efficiency.

29. The development of the Third Updated Strategic Plan (USP-3) follows a structured multi-phase timeline spanning from Q1 2026 through second half of 2027, with the view to approve the USP-3 at B.47. The process commenced with the adoption of the USP-3 Roadmap at B.44, followed by initial strategic planning activities including a review of the USP-2 process, literature reviews, and expert interviews.

30. Consistent with the Board decision to conduct an open, transparent and inclusive consultation process to inform the review and update of the Strategic Plan (decision B.44/17), the Secretariat launched extensive, multi-stakeholder consultations. An open call for submissions was launched in April, together with five targeted surveys to Board Members, Active Observers, National Designated Authorities (NDAs), Accredited Entities (AEs), and Ministries of Finance. Alongside these consultations, Secretariat is conducting expert interviews with prominent climate finance experts, regional workshops - direct stakeholder engagement through a series of 13 in-person and virtual sessions, of which 9 have been conducted. The Secretariat is on the path to complete initial consultation activities culminating in the first Board Retreat on the updated strategic plan in the margins of B.45 Board meeting in Tajikistan.

31. As preparations advance for the launch of the GCF-3 replenishment, the Secretariat is also developing the strategic and policy foundations needed to support a more resilient,

¹ Through decisions B.44/14 and B.44/15, the Board adopted the configuration for GCF regional presence and selected Panama City, Panama, for Latin America and the Caribbean; Amman, Jordan, for Eastern Europe, Central Asia and the Middle East; Nairobi, Kenya, for East and Southern Africa; Abidjan, Côte d'Ivoire, for Central, North and West Africa; and Suva, Fiji, for the Pacific sub-regional office, under the oversight of a Regional Director based at headquarters in the Republic of Korea.

predictable and diversified resource base. This includes an updated Policy for Contributions, a new Policy for Contributions from Other Sources, and measures to strengthen balance sheet efficiency (annex III) and updates to the Risk Management Framework. The replenishment process is expected to be launched at B.45 based on document GCF/B.45/XX, “Arrangement for the third replenishment of the Green Climate Fund” (pending publication), with consultations and pledging opportunities continuing through 2027.

Annex I: Secretariat results framework progress

	Intended Outcome	2026 Deliverables	Current status and progress
Objective 1. Enhancing country ownership and access			
1.A	Reformed & simplified access and partnership modalities	Mainstream implementation of reformed accreditation modality	On track. The revised Accreditation Framework moved into implementation through the first pilot application window, launched on GCF's in-house IT platform. As at 6 May, 83 applications were submitted with fees paid and proceeded to the nine-month review period. Preparations are also advancing for the second window in July 2026, including the expanded fast-track modality.
		Issue screening report for newly submitted AE applications within 90 business days	On track. The first application window under the revised Accreditation Framework closed on 6 April 2026, with the fee payment deadline on 6 May 2026. The nine-month review period has begun for applications where fees were paid, and the screening report template has been drafted.
		Present review of PSAA	On track. A firm has been contracted to review the PSAA, with completion expected by Q4 2026. The review will assess its relevance, effectiveness and efficiency, with the report expected to be presented to the Board in 2027.
		Present Country Ownership Guidelines, including no objection procedure	On track. The Secretariat has drafted the guidelines and undertaken consultations, including an informal session at B.44. A further informal session is planned for B.45, with presentation for approval expected at B.46.
1.B	Strengthened country platforms for NDC/NAP/LTS implementation and inclusive, country-driven origination of GCF pipeline with suitable AEs	Develop investment pipeline with at least 25 developing countries to advance implementation of NDCs/NAPs/LTS	On track. The Secretariat has received 69 requests for support from countries, of which 10 proposals were submitted for review during the reporting period. These proposals support the development of investment pipelines to advance implementation of NDCs/NAPs/LTS. While no approvals were recorded during the reporting period, as these proposals are under secretariat review, additional submissions are expected in the coming months. Secretariat

	Intended Outcome	2026 Deliverables	Current status and progress
			expects an increase in the number of proposal approvals in Q3 and Q4.
		Support an additional 5-10 countries in establishing or enhancing an existing country platform	On track. The Dominican Republic readiness proposal, which includes country platform activities, was approved and disbursed in February 2026. Eight readiness proposals are under review, with additional submissions expected from countries later in 2026. India, Mongolia and Somalia have submitted offline proposals with country platform-related activities.
		Present update to GCF ESS and review inclusion policies	Delayed. The ESS Board deliverable has been postponed to 2027 and will be reviewed alongside the ongoing IFC Performance Standards review process.
1.C	Strengthened DAE capacity for climate programming & implementation	Respond to 100% of requests under DAE support window	On track. As of 30 April 2026, 46 DAEs had submitted requests under the readiness DAE support window, of which 29 had been developed into full proposals. Seven DAE proposals have been approved to date, including three during the reporting period.
		All GCF placements hired and deployed in the region	On track. As of 30 April 2026, 91 placement requests had been received, of which 45 contracts were signed and experts placed in countries.
1.D	Simpler and more streamlined GCF policies and processes	Proposals move from concept note to Board ready within 9 months	On track. From January 2025 to April 2026, 31 new FPs were submitted, out of which 9 projects were processed within 9 months, 20 are on track to meet the target and 2 are slightly delayed.
		Embed digitalization of Concept Notes, Funding Proposals and Annual Performance Reports ¹	In progress. Building on the digitization of the concept note (CN) in March 2025 and the Annual Performance Report (APR) templates in February 2026 into the GCF's Partner Portal (GPP), work is ongoing to digitize the funding

¹ The deliverable originally referred to "Annual Progress Reports"; this has been corrected to "Annual Performance Reports" to reflect the intended reporting terminology.

	Intended Outcome	2026 Deliverables	Current status and progress
			proposal (FP) template. The FP digital module is currently undergoing the User Acceptance Testing, alongside piloting with selected accredited entities, with a planned launch by mid-2026. Through this phased yet comprehensive digitization across the project cycle, from CN to FP to APR, the Secretariat aims to establish end-to-end data continuity and enable operations based on a single, synchronized dataset.
		Implement AI to support accreditation, readiness; and assist AEs, NDAs, DAEs with submission of CN and FP	On track. As part of the Efficient GCF initiative, a first working version has been developed and is moving to internal user acceptance testing. Subject to alignment with the business on external communication, it will then be rolled out to a small number of accredited entities for further testing, ahead of full rollout expected in Q3 2026.
		Present Revised Policy on Fees ²	On track. As of 15 May 2026, the proposed revised Policy on Fees (decision B.19/09) remains pending internal clearance prior to its advancement to stakeholder consultations and subsequent submission for formal consultation or consideration with the Board planned at B.45.
		Complete second overall policy review focusing on policy coherence and impact	On track. The Secretariat is advancing the review with the support of an external consultancy firm.
		Client experience survey and action planning	On track. Preparations are on track for a stakeholder satisfaction survey to be conducted in the third quarter of 2026, with procurement of the external firm to undertake the survey currently being finalised. Stakeholders including NDAs and AEs will be surveyed about their experience in accessing GCF and partnering with the fund, with a particular focus upon measuring the impact of reform efforts to enhance access and increase efficiency of GCF processes.

² Decision B.36/06 requested the Secretariat to present a revised Policy on Fees. The deliverable title has been updated to align with the terminology used in the Board decision.

	Intended Outcome	2026 Deliverables	Current status and progress
Objective 2. Delivering impact and results			
2.A	Pipeline management & programming aligned with country priorities & GCF-2 results and allocation targets	Strengthen programming focus on projects most likely to deliver measurable transformational results, aligned to GCF investment criteria and country priorities	On track. The Secretariat is prioritizing projects and programmes that align with GCF investment criteria, country priorities and USP-2 targets, with a particular focus on DAEs, private sector and the funding proposals that support local private sector early-stage ventures and MSMEs.
		46-51 FPs submitted to iTAP, including through the use of RPSP support and aligned with country pipelines	On track. During the reporting period, 29 funding proposals (USD 1.7 billion) were submitted to iTAP, representing 63 per cent of the 2026 target.
		Present Policy on Programmatic Approach	Delayed. Work on the Policy on Programmatic Approach has progressed more slowly than anticipated as Secretariat priorities focused on critical strategic and policy agenda items related to USP-3 and GCF-3 preparation. The item may be reconsidered in a future workplan update, subject to Board priorities and agenda space.
2.B	Strengthened access to adaptation finance for underserved countries & people/communities most impacted by climate change	Reach an additional 5-10 underserved countries	On track. At B.44, proposals for three underserved countries (Bahamas, Chad, and Jamaica) were approved. For B.45, the Secretariat is presenting the first single-country proposals for the Central African Republic and the Syrian Arab Republic.
		Approval of at least 5 FPs with strong Locally Led Climate Action (LLCA) components	On track. Two FPs partially supporting locally led climate action were approved at B.44, with three FPs with strong LLCA components advanced for B.45 (two by DAEs from Indonesia and Nepal and one from a fragile context setting in Syria).
		Present updated Gender Action Plan for GCF 2026-2031	On track. An informal session on the draft update to the Gender Action Plan 2026–2031 was presented to the Board at B.44, followed by extensive stakeholder consultations. The updated action plan is expected to be presented for Board

	Intended Outcome	2026 Deliverables	Current status and progress
			consideration at B.45, taking into account the Belém Gender Action Plan for 2026–2034 adopted at COP30.
		GCF Global Conference on Indigenous Peoples’ Access to Climate Finance	Completed. The conference was held 8-10 April 2026, bringing together Indigenous Peoples, governments, AEs, climate funds and partners together to strengthen partnerships and identify practical pathways for improving Indigenous Peoples’ access to climate finance. Discussions focused on Indigenous-led climate solutions, direct financing approaches and implementation of the GCF Indigenous Peoples Policy.
		Present dedicated Direct Access Framework for Indigenous Peoples	On track. The Secretariat is moving to present the paper to the Board for consideration at B.46, in line with the workplan.
2.C	Enhanced private sector engagement & mobilization of finance for climate action	Submit 15-17 private sector funding proposals to ITAP	On track. During the reporting period, 7 private sector funding proposals (USD 497M) were submitted to iTAP. This represents 47% of the target submission. The Secretariat is prioritizing private sector projects for B.46 and the remainder of the USP-2 programming.
		Conduct 4-5 regional roadshows to convene private sector and country actors	On track. GCF participated in the Regional Ecological Summit 2026 in Astana, Kazakhstan, from 22 to 24 April 2026, where it co-convened a roundtable with the Government of Kazakhstan and UNDP. The 2026 roadshow strategy is focused on strengthening the private sector pipeline, improving origination and project structuring, deepening country-focused partnerships, and ensuring the resourcing needed to support delivery.
		Execute strategic investment partnership operating model pilot, including conceptualization and development of at least 1-2 co-investment/ co-managed structures that mobilize capital	On track. Engagement is ongoing with sovereign wealth funds, pension funds, insurance companies and other partners to advance selected strategic investment partnership opportunities. Work also continues on the related operating model, including assessment of alignment with GCF’s mandate and investment criteria, and refinement

	Intended Outcome	2026 Deliverables	Current status and progress
			of possible structuring pathways with internal and external partners.
		Build 1-2 investment partnerships with a strong country ownership orientation both across public and private sectors to ensure national and climate alignment	On track. The Secretariat is engaging on specific partnership opportunities that seek to combine private sector mobilization with strong country ownership. Discussions are ongoing with prospective partners and relevant internal teams to ensure alignment with national priorities, climate objectives, and GCF programming pathways.
2.D	Strengthened systems for managing the portfolio for impact, results, knowledge and learning	Implement updated MAF and PRC, including entity performance management	On track. Implementation of the updated Monitoring and Accountability Framework (MAF) is advancing from policy approval into operational design. Progress includes development of the AE and project early-warning system, the Compliance and Performance Framework, and institutional reporting tools, with operationalization expected by the end of the second quarter of 2026. Delayed. Updated PRC-related policy text and consultation guidelines are expected to be presented at B.45.
		Enable the ability to generate live country and regional portfolio reviews, and reviews of AE implementation performance	In progress. To be implemented throughout 2026.
		Present the Harmonized Results Framework (revised IRMF)	In progress. The Secretariat plans to conduct informal consultation with the Board at B.45, followed by presentation at B.46 for Board consideration.
		Present new portfolio impact results	On track. Digitized APR submissions in GPP and streamlined, integrated review tools (PRTP) and processes are expected to enhance the quality, consistency, and robustness of results reporting, as well as strengthen impact analysis.
2.E	Strengthened leadership on climate finance & enhanced performance of the climate finance architecture	Communications Strategy implementation	On track. Implementation of the Communications Strategy is continuing across key areas to strengthen access to the Fund and increase awareness of its impact.

	Intended Outcome	2026 Deliverables	Current status and progress
		Establish system for national/international media outreach through AEs especially DAEs	Completed. B.44 engagement with DAEs highly successful in reaching national and international media relating to GCF programming. Tracking system in place; for B.44, 668 media articles recorded online ((96% positive/neutral sentiment; 4% negative); six television reports broadcast (4 national, 2 regional all in Africa).
		Ongoing implementation of Corporate Engagement and Outreach Plan	On track. The Secretariat has developed and is implementing the 2026 Corporate Engagement and Outreach Plan with particular focus on building support for the upcoming GCF-3 Replenishment.
		GCF Global Impact Conference	On track. The Secretariat plans to host the Global Conference in January-February 2027.
		Deliver COP31 engagement strategy	On track. The Secretariat is finalizing its engagement strategy and delivery package for COP31.
		Progress collaboration between MDBs, MCFs and wider finance architecture, including harmonization initiatives	On track. GCF is chairing the MCF group in 2026, with the first Committee meeting held on 16 April to advance coordination and coherence ahead of COP31. On 15 April, GCF and the COP30 President also convened the first joint dialogue on tripling adaptation finance between COP Presidencies, MCFs and MDBs, with further follow-up planned through COP31.
2F	Establishment of GCF regional presence among developing countries	Present configuration plan, implementation plan and comprehensive analysis and recommendation for regional presence host countries	Completed. The Secretariat prepared and presented the regional presence package for Board consideration at B.44, including the assessment of eligible host country proposals, proposed configuration, implementation plan and related budgetary implications. Through decisions B.44/14 and B.44/15, the Board approved the regional presence configuration and selected the host countries and cities for the regional presence structure.
		Preparation for regional offices, including hosting agreements and operational planning	On track. Following the B.44 decisions, the Secretariat initiated engagement with selected host countries to prepare

	Intended Outcome	2026 Deliverables	Current status and progress
			host country agreements and related operational arrangements. Internal planning has also advanced across key workstreams, including office set-up, ICT, security, business continuity, administrative services, staffing and communications, while technical analysis continues to support implementation.

	Intended Outcome	2026 Deliverables	Current status and progress
Objective 3. Focusing on people and institutional strengthening			
3.A	Alignment of institutional capacity, and organizational culture with the GCF strategy and value	Execution of the People & Culture Plan and strengths-based approach	On track. All staff members, including new staff, have access to the Gallup Strengths Finder assessment. During the reporting period, the Gallup Management Program was delivered to equip managers with strengths-based coaching and engagement skills, with more than 80% of managers participating.
		Implementation of Staff Regulations and Staff Rules	In progress. The single job architecture was implemented, including the job evaluation and new grading structure, and migration to the new single salary scale. Work on the development of the standard operating procedures (SOPs) and other required elements of the legal framework is ongoing.
		Implement a new performance management and development system (PMDS) framework and system	In progress. A new incentive system linked to individual impact, collaboration, leadership and values was proposed and endorsed by the Executive Director as part of the broader PMDS. Development of the supporting framework is ongoing.
		Implement refreshed annual staff engagement survey	On track. The new engagement survey was conducted in 2025, and teams are currently developing action plans with the Department of People and Culture (DPC) support. Preparations are underway for the next cycle of the Engagement Survey, expected around the fourth quarter of 2026.

	Intended Outcome	2026 Deliverables	Current status and progress
		Develop ethics and values-based Standards of Conduct	Delayed. The Standards of Conduct will be developed following the establishment of the Professional Conduct Unit. The recruitment process for the Head of the unit has been initiated. In the meantime, as per decision B.42/15(d) of the Board, the current Code of Conduct remains in effect.
		Clarify budget KPIs to enable comprehensive, informed, and strategic budget planning	On track. A draft KPI framework and Budget Committee deck have been prepared, outlining key administrative efficiency and portfolio-related metrics to support more strategic budget planning. Refinements are ongoing to strengthen linkages between staff costs and portfolio/disbursement trends. Key risks remain around data granularity and timing effects between administrative spend and portfolio outcomes, requiring further methodological refinement.
3.B	Efficient and effective institutional systems and processes based on sound risk management and harnessing the power of data	Present phase II Risk Management Framework policy updates	On track. The Secretariat has progressed Phase II RMF updates, including refinement and external validation of the Commitment Authority Framework (CAF) and alignment Workshops and engagement with PwC are ongoing to support reviews of the RMF components and related loan contribution parameters, including the loan cushion, to ensure consistency with the evolving risk-based approach.
		Launch of budget scoring for policy proposals and FX hedging	On track. Key external requirements for the FX hedging framework have been resolved, including counterparty credit risk limits, auditor consultation and trade confirmation templates. International Swaps and Derivatives Association Master Agreements are being finalized, while remaining internal steps on strategy, procedures, systems, accounting and settlement arrangements with the Trustee are under clearance.
		Establish GCF data governance and data stewardship council	On Track. The Data Governance Council, established in late 2025, has advanced work to strengthen data governance and rationalize analytics across the Secretariat. To address fragmentation, the Council reviewed outdated or redundant

	Intended Outcome	2026 Deliverables	Current status and progress
			dashboards and is consolidating remaining dashboards, including multiple Readiness dashboards, into a streamlined view. It is also advancing a Data Governance SOP to formalize oversight, clarify data roles and ownership, and establish clear processes for approving and maintaining dashboards, supporting consistency, data quality and a single source of truth across reporting outputs.
		Establish operations excellence framework	On track. The operations excellence framework remains on track as part of the Efficient GCF workplan. Risk of delays in the implementation of some Culture of Excellence actions, including the establishment of job families and a competency framework.
		Substantially enhance IT systems and security, including cybersecurity and SOPs	On track. The Secretariat completed and launched the digitized end-to-end Annual Performance Review process, new pre-accreditation and readiness modules, and new administrative instruction on data retention and classification. Additional cybersecurity and data protection instructions and related SOPs remain under development.
		Complete ERP workforce planning integration and evolution of unit-costing to support data-driven budgeting	On track. Ongoing SRR implementation and related Oracle workflow and process enhancement activities continued during the reporting period, supporting process consistency and future systems alignment.
		Leverage technology to streamline Funded Activity Agreement (FAA) drafting	On track. Phase 1 of the Artificial Intelligence Agent to support FAA drafting remains under development, with a target launch date later in 2026.
		Review of the Trustee	Completed. Review of the Trustee was completed in Q1 of 2026 and reported at B.44 and the final report subsequently uploaded to the Board Portal.
3.C	Effective governance and support for the Board	Present updates to Information Disclosure Policy (IDP) and Observer Guidelines	On track. The IDP review is progressing through consolidation of implementation experience, benchmarking updates and refinement of the policy package, with Ethics and

	Intended Outcome	2026 Deliverables	Current status and progress
			Audit Committee (EAC) engagement being sequenced ahead of stakeholder consultations and governance clearances. In parallel, consultations and internal review are underway on the Observer Guidelines, supported by development of a policy package informed by the GCF observer survey.
		Support the Board in conducting an effectiveness review	On track. A Board retreat on Board effectiveness is planned for 26 June. An external firm has been procured to conduct a survey and interviews ahead of the retreat and to facilitate the in-person session.
		Implement new board portal and board portal mobile app	On track. The Secretariat has completed functional trials to assess key capabilities. Based on the identified functional requirements, the Secretariat has initiated the procurement process through the issuance of a Request for Proposals (RFP). Subsequent steps will include the evaluation of proposals, contract negotiations, award of contract, and thereafter piloting and implementation.
		Launch of automated reporting tools for Board, COP and contributor reporting	On track. The Secretariat is undertaking internal consultations on the development of enhanced interactive reporting functionalities, with initial focus on COP-related reporting.
3.D	Successful resource mobilization	Develop & consult on 2028-2031 Strategic Plan (USP-3)	On track. Following Board consideration of the USP-3 roadmap at B.44, implementation is progressing. The Secretariat has launched an open call for submissions, targeted surveys and consultations with Board members, observers, NDAs, AEs, DAEs, Ministries of Finance and other stakeholders through regional and thematic engagements. Inputs are being consolidated with analytical work on country needs and climate finance trends to inform the Board retreat on the margins of B.45 and guide strategic planning.
		Present approach to financial inputs from other sources, including alternative sources	On track. The Secretariat shared information on potential financial inputs from other sources as part of the roadmap for the GCF-3 replenishment, presented during the B.44 informal

	Intended Outcome	2026 Deliverables	Current status and progress
			meeting of the Board. Subject to further guidance by the Board, the Secretariat will prepare a corresponding policy for Board consideration after B.45.
		Present GCF-3 Replenishment Plan, including other sources of funding, public and private	On track. The GCF-3 Roadmap and the approaches to the Policy for Contributions and the Policy for Contributions from Other Sources were presented at the B.44 informal meeting and shared with the Board. The arrangement for the third replenishment will be presented for Board consideration at B.45.
		Present new balance sheet management approach	On track. The refined Commitment Authority Framework was introduced during the informal B.44 session and is reflected in this report for presentation at B.45. The Framework was reviewed by an external agent, including related policy aspects. The final report confirmed that the proposed enhanced methodology is appropriate for its intended purpose, a conclusion also supported by the Trustee.

Annex II: 2026 programming metrics report

Table 1: Readiness and Preparatory Support Programme and Project Preparation Facility

	Metrics	2026 Projection	Status as at 30 April 2026
Readiness	New proposals approved and approval amount (USD million)	100 (258.7M)	3 ¹ (2.2M)
	Cumulative portfolio (all approved grants from inception including closed/cancelled)	974 (1061.5M)	884 (750.6M)
	Grants closed and amount (USD million)	Annual: 126 (56.6M) Cumulative: 452 (265.6M)	Annual: 24 (18.6M) Cumulative: 412 (199.4M)
	Readiness portfolio under implementation (i.e. total cumulative approved proposals legally effective and/or expired excluding closed and cancelled grants)	Cumulative: 522 (795.9M)	Cumulative: 423 (534.5M)
	Disbursements (for grants under implementation) ²	Annual: 114.6M Cumulative: 613.3M	Annual: 13.05M Cumulative: 535.4M
	Share of approved readiness proposals receiving disbursements	90%	93.4%
	No-cost extensions and change requests processed	15% of portfolio (80 requests)	7.8% of portfolio under implementation (33 requests)
	Total grants completed & amount (USD million)	Annual: 70 (88M) Cumulative: 209 (156.7M)	Annual: 14 (12.9M) Cumulative: 71 (71.8M)
Project Preparation Facility	New requests approved in 2026 and approved amount (USD million)	19 PPF requests (12M) where at least 12 are from DAEs (7.7M)	3 PPF requests (3.9M) 0 from DAEs ³
	PPF proposals closed and amount (USD million)	Grants: 10 (6.7M) Services: 6 (4.0M)	Grants: 1 (2.96M) Services: 2 (0.43M)
	PPF portfolio under implementation (i.e. total cumulative approved proposals legally effective and/or expired excluding closed grants)	Cumulative: Grants: 39 PPF Service: 9	Cumulative: Grants: 26 PPF Service: 11
	Disbursements to the portfolio under implementation	Annual: 12.3M Cumulative: 22.8M	Annual: 1.1M Cumulative: 21.4M

¹ Compared to the previous year, with the new readiness there is a shift from the yearly window approval toward a medium-term programmatic approach, with countries taking time in designing and submitting their readiness proposal. As of 30 April 2026, we have 39 proposals under review in the pipeline. Those proposals are expected to be approved soon and will contribute to increase the figures to reach the annual target.

² Annual disbursements relate to grants under implementation; cumulative figures include both active and closed grants.

³ Of the three PPF requests approved during this period, two are for PSAA applicants that enabling direct access through national or regional mandates. PPF proposal approval target for 2026 is 19. As of the time of this report, 3 grants have been approved for 2 PSAA applicants enabling direct access through national and regional mandates and 1 IAE. In addition, there are 13 proposals that are in active review, comprising 7 proposals from DAEs, 5 from PSAA applicants, and 1 from an IAE.

	Metrics	2026 Projection	Status as at 30 April 2026
	Total PPF proposals completed and amount (USD million)	Grants: 5 (3.3M) Cumulative: 20 (13.4M) Services: 12 (4.4M) Cumulative: 25 (9.2M)	Grants: 3 (1.4M) Cumulative: 24 (18.2M) Services: 2 (0.43M) Cumulative: 23 (5.23M)

Table 2: Funding proposal programming, PSAA and implementation⁴

Metrics	2026 Projection	Status as at 30 April 2026 ⁵
Total new funding proposals and amount sent to the iTAP (USD million)	Total: 46-51 funding proposals (3,105M-3,450M) Public: 31-34 funding proposals (1,862-2,070M) Private: 15-17 funding proposals (1,242-1,380M)	Total: 29 funding proposals (1,741.6M) Public: 22 funding proposals (1,244.4M) Private: 7 funding proposals (497.1M)
SAP proposals and amount sent to iTAP (USD million)	Total: 13-16 funding proposals (269M-310M) Public: 11-13 funding proposals (224M-255M) Private: 2-3 funding proposals (45M-55M)	Total: 7 funding proposals (125.7M) Public: 7 funding proposals (125.7M) Private: 0 funding proposals (0M)
Direct access proposals and amount sent to iTAP (USD million)	Total: 14-17 funding proposals (621-690M) Public: 12-14 funding proposals (532-567M) (7-10 New DAE) (140-200M) Private: 2-3 funding proposals (89-123M)	Total: 10 funding proposals (516.4M) Public: 9 funding proposals (472.8M) (3 New DAEs, 42.8M) Private: 1 funding proposals (43.6M) (1 New DAE, 43.6M)
Adaptation proposals and amount sent to iTAP (USD million), including share to SIDS/LDCs/African States	Total: 17-19 FPs (547-635M) Public: 15-16 funding proposals (467-525M) Private: 2-3 funding proposals (80-110M)	Total: 14 FPs (483.0M) Public: 14 funding proposals (483.0M) Private: 0 funding proposals (0M)

⁴ The requested GCF amount in euros is converted into United States dollars at the rates of exchange provided by Reuters effective as at 30 April 2026 (EUR 1 = USD 1.1779).

⁵ In the B.45 reporting cycle, the Secretariat has included those FP submissions made to iTAP for B.44 and B.45.

Metrics	2026 Projection	Status as at 30 April 2026 ⁵
PSAA proposals and amount sent to iTAP for 2026 (USD million)	Total: 7-9 PSAA proposals (236-315M)	Total: 6 PSAA proposals (428.5M)
FAAs signed in 2026 and total FAAs signed	Annual: 37 – 42 Cumulative: 357–362 ⁶ Public: 25-28, 281-284 cumulative Private: 12–14, 76–78 cumulative	Annual: 12 Cumulative: 332 Public: 8, 264 cumulative Private: 4, 68 cumulative
FPs completed ⁷ and amount (USD million)	Annual: 35 (1,039M)	Annual: 9 (360.0M)
Active FP portfolio (i.e. total/cumulative approved FPs under implementation & disbursed amount - not including completed FPs) (USD million)	Cumulative: 250-274	Cumulative: 255
Disbursements	Annual: 1,073-1,193 Cumulative: 6,970M-7,090M	Annual: 325M Cumulative: 6,592M
Share of funding proposals under implementation	85%	89%
Share of funding proposals receiving disbursements	80%	81%
% portfolio subject to adaptive management action (NB major change requests)	Total: 40% Non- Major change, Major change: 5%	Total: 15.3% Non- Major change, Major change: 0% ⁸

Table 3: Accreditation

Metrics	2026 Projection	Status as at 30 April 2026
New accreditation applications progressed by the Secretariat to the Accreditation Panel's review under institutional accreditation ⁹	35-40	1 ¹⁰

⁶ The cumulative FAA figures presented here are based on reconciled actuals as at 31 December 2025 (256 public and 64 private), and supersede figures published previously.

⁷ Projects with project completion reports received as at 30 April 2026.

⁸ No major change requests were received during the reporting period.

⁹ With the implementation of the RAF, the previous Stage I to Stage II (Step 1) process no longer applies. Accordingly, for 2026 reporting, this metric reflects applications progressed to the Accreditation Panel's review.

¹⁰ While only 1 application progressed to the AP as of 30 April 2026, this reflects the timing of the first RAF application window, which closed on 6 April 2026, and the subsequent accreditation fee payment deadline of 6 May 2026. Following the close of the payment period, 21 applications have already been reviewed and a further 62 are under active review, indicating strong pipeline progress toward the annual target of 35–40 applications.



Metrics	2026 Projection	Status as at 30 April 2026
Number of AEs in network	Total: 206 DAE: 141 IAE: 65	Total: 168 DAE: 113 IAE: 55

Annex III: Refined Commitment Authority Framework

I. Introduction

1. The Green Climate Fund's (GCF) commitment authority represents the optimal volume of new projects and administrative budgets that can be approved against available resources, ensuring that GCF maintains sufficient capital to cover losses, and sufficient liquidity to cash outflows under stress over a defined horizon period. It functions as an operational ceiling that balances GCF's ambition to deploy resources with the need to remain financially resilient under stressed conditions.
2. In operational terms, commitment authority is a function of the capital surplus, i.e., the excess of available capital over required capital, and the liquidity surplus, i.e., the excess of available liquidity over required liquidity.
3. The Commitment Authority Framework operates alongside other Board-approved policies that govern aspects of GCF's financial capacity: the Funding Risk Policy (Component VII) requires that investment commitments be made only when matched against an identified funding source; the Updated Policy for Contributions to the Green Climate Fund for the second replenishment similarly requires funding decisions to be made against the total amount of available resources in the form of cash and promissory notes; and the Risk Appetite Statement references anticipated net funding requirements over a one-year horizon. The Commitment Authority Framework is consistent with these requirements.
4. The Commitment Authority Framework adds another layer to the existing framework outlined by introducing a forward-looking constraint through a risk-based lens: the adequacy of capital and risk-adjusted liquidity to absorb potential losses and meet stressed cash outflows over a defined horizon. Where specific policy linkages exist, for example, the incorporation of the FX commitment risk buffer from the Funding Risk Policy into the capital conservation buffer, they are reflected directly in the Commitment Authority Framework's calibration. This layered approach ensures consistency and coherence across the policy framework while strengthening the rigour of GCF's commitment decisions.

II. Background

5. The Commitment Authority Framework has undergone a structured process of internal review, external validation, and Board engagement to ensure its methodology remains robust, risk-reflective, and aligned with institutional governance. The key milestones of this process are outlined below:

(i) Previous Interpretation of Commitment Authority

6. At B.37, the Secretariat presented to the Board the financial plan for GCF-2, which explained how GCF's commitment authority would be estimated and planned. The methodology at the time required a full set-aside of commitments, regardless of the risk profile of the programming instruments or the timelines of phased disbursements. Continuing to estimate commitment authority through this restrictive lens resulted in a significant accumulation of unused cash, consequently reducing the Fund's overall climate impact potential.

(ii) Secretariat Review

7. As an essential step to guide the Secretariat's development process, the Secretariat conducted a review of the framework applicable to commitment authority. This assessment

confirmed that the new methodology adjustments remained consistent with the existing framework, given that funding decisions would continue to only be made against “available resources” and the methodology would maintain liquidity reserve equivalent to GCF’s anticipated net funding requirements for the upcoming two (2) year period (one year more than what is foreseen and required in the Risk Appetite Statement)¹⁴.

(iii) Board Socialization

8. Following the Secretariat review, the Secretariat initiated an informal socialization of the Commitment Authority Framework with the Risk Management Committee (now the Risk and Finance Committee) in February 2026 as well as with Board Members on the sidelines of the Forty-Fourth meeting of the Board (B.44). This was followed by a series of technical sessions held between Board meetings, which were open to all interested Board Members and Advisors. The first session, held on 21 May, provided a high-level overview of the Framework, while the subsequent sessions, held on 4 June and 17 June, offered a more in-depth technical discussion in response to requests from Board Members.

(iv) Third-Party Model Validation and Policy Review

9. To ensure the highest standards of financial integrity and technical accuracy, the new methodology adjustments to Commitment Authority was subjected to an independent, third-party model validation. This expert review rigorously tested the quantitative assumptions, risk parameters, and methodological soundness of the approach, confirming its reliability for institutional risk management. The independent assessment also confirmed the methodology is sufficiently aligned with existing applicable GCF related policies approved by the Board.

(v) Trustee Confirmation

10. Concurrently, the Trustee reviewed the operational and financial implications of the new methodological adjustments to Commitment Authority. This process concluded with the Trustee providing acknowledgement and feedback of the approach, validating its alignment with its fiduciary responsibilities, liquidity management, and cash-flow protocols.

(vi) Board Submission and Acknowledgement

11. To formalize the framework, the Commitment Authority Framework will be submitted to the Board at its Forty-Fifth meeting (B.45) for formal Board acknowledgement.

III. Methodology

3.1 Available capital

12. Available capital comprises all resources that can be deployed to absorb risk. These may include cash and promissory note funding provided to GCF in the form of grants and capital contributions, loan and debt contributions (provided they have loss absorbency features), any cushions on loan /debt contributions, counter guarantees, accumulated reflows from past and existing projects, and investment income.

¹⁴ As set out in paragraph 16 of the Risk Appetite Statement, approved through Board Decision B.40/17(a).

3.2 Required capital

13. Required capital reflects the amount of capital that must be held against GCF's portfolio of instruments and obligations. This requirement is driven by the utilization of capital across grants, loans, equity, guarantees, and other project instruments, as well as by expenses and risk buffers. The capital requirement is proportional to the riskiness of the utilization / instrument. Grants and expense style instruments attract a full capital charge, as do equity investments, in line with peer practice¹⁵ and GCF's unlisted, predominantly junior, first-loss equity portfolio. For loans and guarantees, capital requirements are determined through a portfolio risk modelling approach that incorporates exposure at default, probability of default, and loss given default, as elaborated in Section 3.2.1.

14. In addition, a capital conservation buffer equal to ten percent of other capital requirements is added to mitigate model risk, parameter uncertainty, and unmodelled risks such as operational risk and market risk. The capital conservation buffer incorporates the FX commitment risk buffer required under the Funding Risk Policy, which operates to reduce commitment authority for unhedged currency mismatches. This ensures consistency between the Funding Risk Policy and the capital adequacy framework. This ten percent figure has been informed by analysis of relevant risk metrics and is set as a prudent policy buffer in line with the Board-approved GCF Risk Appetite Statement, which sets a low tolerance for market and operational risks. The capital conservation buffer is calibrated to capture risks not fully reflected in the portfolio credit risk model, in particular market risk and operational risk. Its calibration is informed by a combination of historical risk metrics and conservative proxies, drawing on discussions with the Trustee, audited financial information, and existing policy buffers. The calibration adopts a two-year horizon consistent with the credit risk framework and reflects tail-risk considerations, limited internal loss data for non-credit risks, and risks that are difficult to model explicitly. The resulting buffer level is set prudently and in line with GCF's low tolerance for market and operational risks as articulated in the Board-approved Risk Appetite Statement.

3.2.1. Capital requirement for loans and guarantees

15. For loans and guarantees capital requirement purposes, exposures are assessed at the project level. Specifically, the exposure at default is taken as the total GCF commitment in the credit components of the project (i.e. loans and guarantees) minus principal reflows that are not redeployable in the project. In cases where projects span multiple countries, the exposure at default is allocated country-wise on a pro rata basis and in accordance with the terms of the Funded Activity Agreement.

16. Credit ratings are assigned at the borrower level if the borrower is identifiable, or based on the borrower type if only the category of borrower (e.g., corporate, financial institution) is identifiable. For identifiable borrowers, if they are rated by the accredited entity or by the rating agencies S&P, Fitch, or Moody's, that rating is used; otherwise, a fallback rating based on notching to the country rating applies in line with GCF's Expected Credit Loss (ECL) Guidance, developed within the Secretariat consistent with the International Financial Reporting Standards (IFRS) 9¹⁶. For unidentifiable borrowers, ratings are based on the underlying borrower type that attracts the highest notching using the fallback method, as per the ECL Guidance. Where the exposure is guaranteed, and the rating of the guarantor is better than the rating of the borrower, the guarantor's rating is used. Probabilities of default (PDs) are then

¹⁵ IFAD Revised Capital Adequacy Policy (2025), EBRD Capital Adequacy Policy and Procedures (2025), AfDB Capital Adequacy Framework and Exposure Management Policy (2009)

¹⁶ Secretariat internal Guidance on Loss Provisioning Calculation Methodology under IFRS 9 Ref. No.: G/OCFRO/DRMC/2025/003. The Board adopted the Administrative Budget and Accounting Framework through Board decision B.38/07 which outlined that the Secretariat is required to select and apply appropriate accounting policies to comply with IFRS as per Board decision B.08/18.

mapped from the respective sovereign and corporate historical through-the-cycle two-year default rates published by S&P, while loss given defaults are determined from GCF's IFRS 9 ECL documentation, reflecting borrower type without forward-looking overlays.

17. A regional factor model is employed to estimate the 2-year portfolio loss distribution. The model introduces separate systemic factors for four regions: Africa, Asia, Europe & CIS, and Latin America & Caribbean. Each borrower's asset state is modelled as a function of two components: a regional factor (capturing shared economic conditions) and an idiosyncratic factor (specific to the borrower). This approach belongs to the family of threshold-based portfolio credit risk model rooted in the work of Merton and Vasicek (Merton, 1974; Vasicek, 2002; Gordy, 2003; BCBS, 2005). The relationship is expressed as:

$$\text{Equation 1: } A_i = \sqrt{\nu/W} * [\alpha_i * B_i * Z + \sqrt{1-\alpha_i^2} * \epsilon_i]$$

where A_i is the latent asset state of the i^{th} borrower, α_i is the weight of borrower i on the systemic component, B_i is a vector of factor loadings for borrower i with respect to the four regional systemic factors (where the entry corresponding to the borrower's region equals 1, and all others are 0), Z is the vector of realizations of the four systemic factors, assumed standard normal and common to all borrowers, ϵ_i is an idiosyncratic shock specific to borrower i , also standard normal and independent across borrowers, and W is a mixing variable shared across all borrowers that follows a chi-square distribution with ν degrees of freedom.

18. By construction, scaling the combination of systemic and idiosyncratic shocks by $\sqrt{\nu/W}$, ensures that A_i follows a Student's t-distribution with degrees of freedom ν . This is preferred over the normal distribution due to its higher tail dependence, which more realistically captures tail risk and accounts for the tendency of defaults to cluster during stress periods, a phenomenon that is often underestimated by the normal distribution.

19. A borrower is assumed to default if its asset state falls below a critical threshold, defined by the inverse cumulative distribution function of the t-distribution for its given PD. The default indicator D_i for the i^{th} credit exposure is therefore:

$$\text{Equation 2: } D_i = 1 \text{ if } A_i < T.INV(PD_i, \nu), 0 \text{ otherwise}$$

20. The systemic weights of credit exposures with respect to the regional systemic factors are not directly observable. Practical proxies are derived by calculating the median Spearman rank correlation coefficient of historical equity returns for the top ten listed entities in each region: EFM Africa, EFM Asia, EFM Europe & CIS, and EM Latin America. A ten-year rolling window of monthly returns is utilized to ensure that periods of recent stress are adequately weighted. The systemic weight for a borrower is defined as the square root of the median correlation for entities in its region.

21. The portfolio loss distribution is generated using Monte-Carlo simulation with 100,000 iterations. Prior to the simulation, the Spearman rank correlation matrix of regional equity index returns is estimated using a ten-year rolling window, and its Cholesky decomposition is computed.

22. In each iteration, four independent standard normal random numbers are drawn and multiplied by the Cholesky factorization to obtain correlated realizations of the regional systemic factors Z . The mixing variable, W , is drawn from the chi-square distribution with seventy degrees of freedom, a peer-referenced parameter value. For each credit exposure, an additional independent standard normal random variable is generated to represent the idiosyncratic shock, ϵ_i .

23. The asset state for each credit exposure is then determined using Equation 1 and Equation 2 provides the default indicator.

24. Portfolio loss (assuming N credit exposures) is calculated for each iteration m of the simulation as follows:

$$\text{Equation 3: Portfolio loss}_m = \text{Sum}_{i=1 \text{ to } N}(\text{Exposure}_i * \text{LGD}_i * D_{i,m}),$$

where i represents the ith credit exposure and D_{i,m} is the default indicator representing whether there has been a default on this credit exposure, calculated as per Equation 2.

25. The capital requirement is determined as the 99.9th percentile of the portfolio loss distribution, based on the 100,000 simulated portfolio losses. Choice of this percentile indicates that the capital requirement at this level would cover 2-year portfolio losses 99.9% of the time and be exceeded only 0.1% of the time¹⁷. For a distribution with 100,000 observations, the 99.9th percentile involves 100 observations in the tail, which, considering the trade-off in terms of computational time, indicates a reasonable level of stability and convergence to the underlying value.

3.3 Capital allocation and capital adequacy

26. Once the aggregate capital requirement has been determined, the next step is to allocate available capital across defined capital buckets in a manner that respects the principle of no cross-subsidization. This allocation ensures that each capital source is applied to the obligations it was intended to support, while maximizing GCF's capital adequacy.

27. The allocation framework distinguishes four categories of requirements (referred to as "buckets")¹⁸. Bucket D consists of instruments and expenditures funded solely by grants, Bucket C consists of instruments funded by grants and capital contributions, excluding loans. Bucket B represents the portfolio of loans funded by the loan from France, grants, and capital contributions, while Bucket A encompasses the broader portfolio of loans funded by loans from Canada and France, and all other sources. Each bucket is addressed sequentially through a structured waterfall.

28. The allocation proceeds as follows. Reflows are first applied to meet the capital requirements of the respective bucket (A-C). Any remaining balance in each bucket (A-D) is then allocated to grant / capital contributors and loan contributors (first against cushion, then loan principal). This final allocation is performed on a pro rata basis, ensuring that no single capital source is disproportionately burdened and that the principle of no cross-subsidization is upheld. Finally, investment income is directed to meet the balance capital requirements for each bucket. This structured approach ensures that resources are applied only to their designated purposes, while maximizing flexibility.

29. To ensure that capital adequacy remains at an acceptable level, GCF's capital ratio, defined as the ratio of available capital to required capital, must consistently remain above 100%. The Secretariat will monitor and report on the capital ratio on a quarterly basis as a part of the regular agenda of the Board's Risk and Finance Committee (RFC), and actions in consultation with the RFC may be implemented to maintain the desired capital levels should the capital ratio fall below a monitoring threshold of 110%.

30. Stress tests will be conducted periodically to assess the sensitivity of the capital ratio to adverse conditions. These tests individually shock the following parameters relative to their base-case values:

¹⁷ S&P Default, Transition, and Recovery: 2025 Annual Global Corporate Default and Rating Transition Study, Table 26 Global corporate average cumulative default rates by rating modifier (1981-2025) (%): 2y default rates AAA (0.03%), AA+/AA- (0.04-0.07%), A+/A- (0.07%-0.13%)

¹⁸ New buckets may be added as additional contributions in the form of loans and counter guarantees are received.

- a rating downgrade by 1-notch across all exposures
- a decrease in recovery rates by 25 percentage points
- an increase in regional factor correlations to +1 (perfect correlation)
- an extension of the horizon period to 3 years

31. Each standalone stress test presently indicates a reduction in the capital ratio of approximately 2 to 6 percentage points. Accordingly, the 110% monitoring threshold is calibrated to preserve a buffer sufficient to absorb the impact of a severe but plausible single-factor stress while maintaining the ratio above the 100% floor.

3.4 Available liquidity

32. Available liquidity comprises all resources that can be readily mobilized to meet obligations as they fall due. These include funds held in trust with no restrictions and any standby liquidity lines. Funds held in trust are recognized at a stress-adjusted realizable value, with haircuts calibrated by model portfolio to reflect the price volatility and market-liquidity risk of the underlying asset mix under stress:

- Model Portfolio 0 (cash): no haircut
- Model Portfolio 1 (short-term liquidity): no haircut
- Model Portfolio 2 (longer-term investment): 15% haircut
- Model Portfolio 8 (sustainability): 15% haircut
- Unencashed promissory notes: 100% haircut (fully excluded), reflecting the absence of a liquid secondary market

33. The haircut rates are informed by the Basel III Liquidity Coverage Ratio (LCR) framework's High-Quality Liquid Asset classification, adapted to the model portfolio structure.

3.5 Required liquidity

34. Required liquidity reflects the amount of liquid resources that must be maintained against GCF's portfolio of instruments and obligations. This requirement is driven by liquidity demands arising from grants, loans, equity, guarantees, and other project instruments across all funded activities, as well as scheduled debt service obligations to contributors.

35. The calculation of required liquidity for projects is based on undrawn commitment amounts and historical disbursement rates, adjusted by a stress factor to ensure resilience. A horizon of two years and a stress factor of 2x average historical disbursement rates are applied. The two-year horizon is grounded in GCF's institutional context, in particular its multi-year replenishment cycle, and is intended to provide a conservative capital and liquidity buffer during periods where inflows may be uncertain. The horizon is not extended to the full replenishment period because required liquidity operates within a framework in which commitment authority is recalculated quarterly, with the calibration refreshed to reflect changes in undisbursed commitments, available resources, and disbursement behaviour. Quarterly recalibration does not itself generate resources, but it does ensure that forward commitments are adjusted before the buffer is materially eroded.

36. Historical disbursement rates are calculated by instrument type using the full disbursement experience since inception. For each instrument type, two-year disbursement rates are calculated as the ratio of actual disbursements during the two years (e.g. CY2024-25, etc.) to the undrawn commitment balance at the start of the two-year period (e.g. CY2023-end, etc.). The average rate is computed as the simple arithmetic mean of disbursement rates across all available years. This approach captures the full range of disbursement behaviour, including periods of both acceleration and slowdown, and avoids over-reliance on any single year or

cohort. The use of a simple mean on full disbursement experience since inception is considered appropriate given the relatively short operating history. The use of instrument-specific rates ensures that the distinct cash-flow profiles of different product types are reflected.

37. The 2x stress factor matches the observed peak-to-cumulative-average ratio of two-year disbursement rates, measured on a portfolio-weighted basis (~2.0x for CY2018-19), effectively adopting the historical worst case at the aggregate portfolio level as the baseline stress assumption.

3.6 Liquidity adequacy

38. To ensure that liquidity adequacy remains at an acceptable level, GCF's liquidity ratio, defined as the ratio of available liquidity to required liquidity, must consistently remain above 100%. The Secretariat will monitor and report on the liquidity ratio on a quarterly basis as a part of the regular agenda of the RFC, and actions in consultation with the RFC may be implemented to maintain the desired liquidity levels should the liquidity ratio fall below a monitoring threshold of 130%.

39. Stress tests will be conducted periodically to assess the sensitivity of the liquidity ratio to adverse conditions. These tests individually shock the following parameters relative to their base-case values:

- an increase in haircuts on available liquidity by 15 percentage points
- an increase in the disbursement stress factor to 2.5 times
- an extension of the survival period to 3 years.

40. Each standalone stress test presently indicates a reduction in the liquidity ratio of approximately 30-50 percentage points. Accordingly, the 130% monitoring threshold is calibrated to preserve a buffer sufficient to absorb the impact of a severe but plausible single-factor stress while maintaining the ratio near or at the 100% floor.

3.7 Commitment authority

41. Commitment authority represents the maximum incremental exposure GCF can commit to while maintaining both its capital ratio and liquidity ratio at or above 100%, i.e. while preserving a capital and liquidity surplus. It is derived from the prevailing capital surplus and liquidity surplus, the per-instrument capital requirement and stressed disbursement profile, and the programming instrument mix, under the assumption that (a) the programming instrument mix, and (b) the portfolio risk profile of new and existing commitments remain unchanged.

42. For a given instrument type 'x', commitment authority is the binding (i.e. lower) of the capital and liquidity constraints.

$$\text{Equation 4: Commitment Authority}_x = \text{Min}(\text{Capital constraint}_x, \text{Liquidity constraint}_x)$$

where:

$$\text{Capital constraint}_x = \text{Capital surplus}_{\text{GCF}, x} / [\text{Capital requirement } \%_x * (1 + \text{Capital conservation buffer } \%_{\text{GCF}})]$$

$$\text{Liquidity constraint}_x = \text{Liquidity surplus}_{\text{GCF}} / \text{Stressed disbursement rate}_{x, \text{horizon}}$$

43. For the aggregate commitment authority, instrument weights reflecting the current programming mix are applied:

$$\text{Equation 5: Commitment Authority}_{\text{agg}} = \text{Min}\{$$
$$\text{Capital surplus}_{\text{GCF}} / \text{Sum}[\text{Weight}_x * \text{Capital requirement } \%_x * (1 + \text{Capital conservation buffer } \%_{\text{GCF}})],$$
$$\text{Liquidity surplus}_{\text{GCF}} / \text{Sum}[\text{Weight}_x * \text{Stressed disbursement rate}_{x,\text{horizon}}]\}$$

44. Intuitively, the aggregate commitment authority is the volume of new commitments (assuming an unchanged programming instrument mix and risk profile) that would exhaust the prevailing capital or liquidity surplus, whichever is more constraining.

45. Commitment authority is reassessed at least on a quarterly basis. The recalculation incorporates updates to the portfolio, undisbursed commitments, and available resources, as well as changes in key variables such as credit ratings, equity prices, and disbursement rates. This periodic reassessment ensures that commitment authority remains aligned with GCF's prevailing capital and liquidity adequacy.

3.8 Governance and policy review

46. The Secretariat shall maintain robust internal controls to ensure the integrity and consistent application of the Commitment Authority Framework. To remain aligned with GCF's evolving operational environment and financial strategy, the following governance procedures apply:

- **Methodology Review:** The Secretariat will conduct a periodic review of the Commitment Authority Framework methodology, including the validity of risk assumptions and parameter calibrations to ensure continued technical relevance.
- **Monitoring and Reporting:** A quarterly summary of the commitment authority status, including capital and liquidity adequacy ratios, shall be reported via the Risk Dashboard.
- **Escalation Procedures:** Any material breach of the established monitoring thresholds or significant deviations from risk tolerance levels will be escalated to the RFC, accompanied by recommended management actions to restore required capital or liquidity levels.
- **Framework Updates:** Recommendations for substantive updates to the policy or its underlying risk appetite alignment will be submitted by the Secretariat to the Board in consultation with its relevant committees, as applicable, for consideration.

Appendix: Illustrative application of the framework

1. This appendix presents the results of applying the Commitment Authority Framework to GCF's portfolio as of 31 March 2026, using the methodology and parameters described in the preceding sections.
2. The figures serve to illustrate the practical operation of the framework and will be updated quarterly as part of the recalibration cycle.

(a) Key parameters

3. The results presented below are based on the following key parameters:

Parameter	Value
Confidence level (capital requirement)	99.9th percentile
Capital conservation buffer	10% of required capital
Horizon period	2 years
Disbursement stress factor	2x average historical rate
Monte Carlo iterations	100,000
Distributional assumptions	Student's t-distribution
Credit risk model	Regional factors model (4 regions)
Liquidity haircuts	MP0-1: 0%, MP2, MP8: 15%; Unencashed promissory notes: 100%

(b) Capital and liquidity adequacy summary

4. Under the prevailing methodology, capital and liquidity adequacy as at the reference date are summarized below:

Metric	Result
Available capital	USD 25,605M
Required capital	USD 19,727M
Capital surplus	USD 5,879M
Capital ratio	130% (monitoring threshold: 110%)
Available liquidity	USD 11,080M
Required liquidity	USD 5,828M
Liquidity surplus	USD 5,253M
Liquidity ratio	190% (monitoring threshold: 130%)

(c) Commitment authority result

5. The following table presents the commitment authority that would be obtained if GCF was to program entirely in a single instrument type, holding all other parameters constant.
6. These figures are non-additive and mutually exclusive; they establish the upper and lower bounds of the commitment authority envelope.

Instrument	Commitment Authority
Grants / results-based payments	USD 3,731M
Equity	USD 4,452M
Loans	USD 13,917M
Guarantees	USD 12,069M

7. Loans and guarantees yield significantly higher commitment authority due to their lower modelled capital charges (capital requirement well below 100%), whereas grants and equity attract a full 100% capital charge and are firmly capital-constrained.

8. Applying instrument weights that reflect the prevailing programming mix (loans at 37%, equity at 12%, guarantees at 2%, grants at 45%, results-based payment at 4%), the aggregate commitment authority as of 31 March 2026 is approximately USD 7,238 million under the refined methodology, compared with approximately USD 1,371 million under the prior dollar-for-dollar matching approach.
