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# Updated country ownership guidelines, including a no-objection and consultation procedure

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## **Summary**

The Strategic Plan for the Green Climate Fund 2024–2027 (USP-2) called for GCF to develop “a more dynamic and inclusive approach to country ownership, including through an update to country ownership guidelines” (Guidelines) (decision B.36/13). In connection with this mandate, the Co-Chairs proposed a “comprehensive review of the no-objection procedure” (NOP) to address country ownership issues affecting funding proposals (document GCF/B.41/12). The Board instructed the Secretariat to consider these issues in its review and update of the Guidelines (decision B.41/02(b)).

The documents presented in Annexes I and II are intended to support Board consultations at B.45. Taking into account the guidance received from the Board and additional stakeholder feedback, the Secretariat will further refine the proposal and submit a final package for Board consideration at B.46.

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## I. Introduction

1. Country ownership has long been enshrined in international frameworks as a cornerstone of effective development cooperation. For example, the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2008), the Busan Partnership (2011), and the Kampala Principles (2019) emphasize that development outcomes are more durable when countries lead their own strategies, rely on their institutions and systems, actively cooperate with development partners, and exercise meaningful oversight over external support. In the climate context, the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) have consistently reinforced this approach, calling for country-driven, participatory, and gender-responsive climate action anchored in nationally led planning frameworks.<sup>1</sup>

2. Consistent with these standards, the Green Climate Fund (GCF or the ‘Fund’) recognizes country ownership as a key enabler for long-term transformative impact. Country-driven approaches are therefore embedded in the Governing Instrument<sup>2</sup> and reflected across the Fund’s policies, investment criteria, and operational modalities. Since the Fund’s inception, this core objective has been operationalized through a wide range of processes and mechanisms designed to strengthen national capacity and ensure country leadership over programming, including, but not limited to, the initial no-objection procedure approved by the Board in decision B.08/10, as modified by decision B.41/02 (NOP).

3. Reflecting implementation experience and the evolution of the institution, the Strategic Plan for the GCF 2024-2027 (USP-2) called for the Fund to develop “a more dynamic and inclusive approach to country ownership” (decision B.36/13). In this context, the Board prioritized issuing “an update to country ownership guidelines” to clarify the Fund’s role, better articulate the meaning of country ownership beyond the NOP, and strengthen meaningful country engagement throughout origination, approval, and implementation. In connection with this update, the Co-Chairs proposed a “comprehensive review of the no-objection procedure” to address country ownership issues affecting funding proposals (document GCF/B.41/12). The Board took note of the Co-Chairs’ proposal and instructed the Secretariat to consider these issues in its review and update of the country ownership guidelines (decision B.41/02(b)).

4. In alignment with this mandate, the Fund has evolved toward a more systematic approach to support national leadership, by emphasizing inclusive coordination, country-driven pipelines, institutional strengthening, and continuous dialogue. These efforts have enabled the Fund to deepen collaboration with its partners and pivot the business model towards stronger, self-sustaining country ownership. Recent initiatives include:

- (a) Regional realignment and enhanced country engagement, including through dedicated Regional Departments within the Secretariat, which integrate public and private sector programming, alongside Board approval for establishing regional presence (B.44/14), which is expected to enable richer and more frequent interactions between country stakeholders and Secretariat staff;
- (b) The Readiness Strategy 2024-2027 (B.37/21), which adopts a demand-driven, programmatic approach to capacity and institutional strengthening, including through readiness financial support to national coordination mechanisms, direct access, enabling

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<sup>1</sup> See, e.g., decisions 3/CP.17, 4/CP.19, 7/CP.20, 5/CP.24, 4/CP.26, 5/CP.26, 6/CP.26, 16/CMA.4, 2/CMA.5, 10/CMA.5, 1/CMA.6.

<sup>2</sup> Paragraphs 3, 31, 47.

- environments, paradigm-shifting pipelines, inclusive participation, effective engagement with GCF, knowledge-sharing, and learning loops;
- (c) Increased support to direct access entities (DAEs), including through readiness resources, to expand national capacity for climate finance programming;
  - (d) Enhanced access and efficiency standards, including a reduced nine-month target timeframe for processing project and accreditation applications, to promote alignment, predictability, and dynamic cooperation between partners; and
  - (e) The Updated Monitoring and Accountability Framework for Accredited Entities (MAF) (B.42/13), which reinforces transparency and mutual accountability during implementation, including through participatory monitoring where appropriate.
5. Building upon these efforts, and consistent with the Fund's broader operational priorities under USP-2, the Secretariat is developing a comprehensive update to the Guidelines for enhanced country ownership and country drivenness (decision B.17/21), with the intention to incorporate a new no-objection and consultation procedure (NOC Procedure) that would replace the existing NOP. This proposal will be presented to the Board for consultation at B.45 and for consideration and decision at B.46.

## II. Policy Rationale

6. The Fund's country ownership approach has developed incrementally over time, resulting in a landscape of initiatives, instruments, and standards that, while broadly consistent with international guidance, remain fragmented across different strategies, policies, and operational modalities. Stakeholder feedback and Board discussions have consistently highlighted the absence of a coherent, overarching framework that brings these elements together, clarifies what country ownership means in practice, and articulates clear and consistent expectations for partners. Compounding this structural gap, implementation experience reveals a persistent disconnect between principle and practice across three critical stages of the GCF business cycle.
- (a) **Investment planning and prioritization:** National coordination processes often lack structure and continuity, with programming principles not always linked to country-defined medium-term strategies, including climate priorities, policy/regulatory reforms, and capacity development. This results in inconsistent prioritization and predictability of the GCF pipeline. Gaps in local systems, enabling environments, and institutional capacity, including for National Designated Authorities or Focal Points (collectively, 'NDAs') and DAEs, further limit countries' ability to mobilize climate investment at scale.
  - (b) **Origination and programming:** Concept notes and funding proposals frequently demonstrate weak alignment with national priorities, with AEs sometimes developing proposals without meaningful dialogue with NDAs. Stakeholder engagement (including civil society, local authorities, and the private sector) is often ad hoc rather than systematic, affecting the quality of project definition, design, and implementation. The no-objection letter (NOL) has often functioned as a late-stage transactional requirement rather than evidence of continuous engagement, resulting in friction and bottlenecks, particularly in multi-country and private sector contexts. Additionally, the one-size-fits-all approach of the NOP is not fit-for-purpose and lacks appropriate differentiation for the wide range of GCF partners and financial instruments.
  - (c) **Implementation, monitoring, and evaluation:** NDAs have not consistently been engaged in oversight during implementation, with many countries facing gaps in

information sharing and limited access to AE progress reports. Lack of clarity on consultation requirements has also constrained country involvement in the context of restructuring and cancellation requests. Capacity and institutional gaps further limit countries' ability to conduct effective monitoring and evaluation and feed implementation lessons back into national planning.

7. These challenges indicate the need for a more integrated approach that moves beyond exclusive reliance on discrete procedural tools (such as the NOL) and instead embeds country ownership in the business model as a continuous and accountable process. The proposal responds to this need through a consolidated document that articulates guiding principles, roles, responsibilities, and expectations for all actors (the overarching Updated Guidelines), and also specifies how stakeholders shall demonstrate consistency with national climate strategies and plans at specific points in the business cycle (the envisioned NOC Procedure).

### III. Analysis of B.45 policy package

8. As described in Section VI below, the proposal was shared with the Board through written consultations and discussed during the informal session at B.44. In light of the feedback received, the Secretariat believes that further consultations are needed. Accordingly, this policy item will be brought to the Board for information and discussion during the formal session at B.45. The outcomes of this discussion, along with additional consultations after B.45, will inform the further refinement of the proposal and the preparation of a final package for Board consideration at B.46.

9. For the purposes of consultation at B.45, the Secretariat is presenting: (i) a revised draft of the Updated Guidelines, incorporating feedback received to date (Annex I); and (ii) an information note on the NOC Procedure presented at B.44, summarizing the proposed approach, stakeholder feedback received to date, and a set of guiding questions for Board discussion (Annex II).

#### 3.1 Updated Guidelines (Annex I)

10. The Updated Guidelines build on the existing Guidelines and integrate relevant guidance from previous Board documents and decisions,<sup>3</sup> providing a comprehensive framework organized around three main sections.

- (a) **Guiding principles:** This section establishes guiding principles that indicate what country ownership means in practice: alignment with national climate strategies and priorities; country-driven prioritization of climate investments; inclusive engagement with diverse stakeholders; capacity and institutional development; use of country systems where appropriate; transparency and accountability between all partners; and context-sensitive, fit-for-purpose mechanisms. These principles provide the normative foundation for the roles, responsibilities, and guidance that follow.
- (b) **Roles and responsibilities:** This section provides an overview of roles and responsibilities for NDAs, governments more broadly, AEs, GCF, and other partners and

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<sup>3</sup> See Business model framework: Country ownership (decision [B.04/05](#)); Initial best-practice guidelines for the selection and establishment of national designated authorities and focal points ([B.08/10\(c\)](#)); Initial best-practice options for country coordination and multi-stakeholder engagement ([B.08/10\(d\)](#)); Initial general guidelines for country programmes ([B.08/11, Annex XVII](#)); Country ownership (decision [B.10/10](#)); Guidelines for enhanced country ownership and country drivenness ([B.17/21, Annex XX](#)).

stakeholders in promoting country ownership. This clear articulation helps to establish the mutual accountability framework needed to support sustained national leadership. Governments are positioned as primary leaders with clear responsibilities for strategic development planning and enabling environments. NDAs in particular should have the capacity and authority to coordinate across government and society, promote direct access, and advance country-driven approaches. AEs are required to align proposals with national priorities, engage NDAs meaningfully throughout development and implementation, and contribute to national capacity building. The Fund is responsible for providing predictable support, transparent information and communication, and enhanced engagement mechanisms.

- (c) **Guidance across the GCF business cycle:** This section translates the overarching principles and roles into specific guidance at each stage of the business cycle. At the investment planning and prioritization stage, the focus is on building the institutional foundations for sustained country leadership. This requires empowered NDAs, effective national coordination mechanisms, and strategic pipelines that reflect country-defined climate priorities. At the origination and programming stage, guidance establishes clear expectations for country-driven proposal development with meaningful AE-NDA engagement from the concept note stage, creating the upstream conditions for the embedded NOC Procedure (as further set out in Section 3.2 below) to function effectively. During implementation, monitoring, and evaluation, the emphasis shifts to accountability and learning. This encompasses systematic AE reporting to NDAs, clarifying consultation requirements for adaptive management and restructuring,<sup>4</sup> and promoting feedback loops that connect implementation experience to future programming and national planning. Cutting across all three stages, the Guidelines promote a demand-driven, strategic approach to readiness resources, linking capacity and institutional support to country-defined medium-term priorities rather than treating it as a standalone track disconnected from programming.
11. The Updated Guidelines reinforce and improve the Fund's approach to country ownership by addressing the gaps and inconsistencies identified above and consolidating relevant standards into a single, coherent architecture. By reducing fragmentation, the Updated Guidelines also enhance clarity, accessibility, accountability, and impact by offering all stakeholders a central reference point for country ownership principles, expectations, and requirements at every stage of the business cycle.

### 3.2 Information note on proposed NOC Procedure (Annex II)

12. Annex II provides an overview of the draft NOC Procedure presented to the Board at B.44, summarizes the feedback received through consultations to date, and identifies key issues for further Board discussion. The purpose of Annex II is to support a structured consultation with the Board at B.45 and inform the further development of the proposal.
13. The Secretariat considers that the Updated Guidelines and the proposed NOC Procedure remain conceptually linked and should ultimately form part of a coherent country ownership framework. At the same time, consultations have highlighted a range of views on certain aspects of the proposed NOC Procedure, including the basis for differentiation, appropriate safeguards,

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<sup>4</sup> The Updated Guidelines establish general principles for consultations required under the Policy on Restructuring and Cancellation (PRC) (B.22/14). In parallel, the Secretariat will develop detailed operational guidance on such PRC consultation requirements ([decision B.33/09\(d\)](#)) and propose revisions to the PRC policy text itself, to be submitted to the Board as a package at B.46.

and the timing of consultation and no-objection requirements. Given the lack of clear convergence, the Secretariat seeks further Board guidance on these issues before revising the NOC Procedure and finalizing the policy package for formal consideration at B.46.

#### **IV. Impact assessment and implementation arrangements**

14. The documents presented in Annexes I and II are intended to support Board consultations at B.45. Taking into account the guidance received from the Board and additional stakeholder feedback, the Secretariat will further refine the proposal and submit a final package for Board consideration at B.46. In advance of B.46, the Secretariat will identify Board-approved policies and decisions to be replaced or repealed upon effectiveness.<sup>5</sup>

15. Upon adoption, implementation of the final proposal will build on and align with existing policies and mechanisms that support country ownership in connection with GCF financing, including the Readiness Programme, the revised Accreditation Framework, MAF, investment framework, revised Environmental and Social Policy, Indigenous Peoples Policy, Gender Policy, and Information Disclosure Policy, to avoid duplication and optimize ongoing efforts. To promote coherence across the Fund's broader policy suite, the Secretariat will use the Updated Guidelines and NOC Procedure as a reference point for country ownership standards in the development or revision of future GCF policies and strategies, including those related to restructuring and cancellation, multilingualism, and the Indigenous Peoples Direct Access Approach.

16. Once adopted, the Secretariat will develop communication and awareness-raising materials to promote a common understanding of the Updated Guidelines and NOC Procedure among NDAs, AEs, and other stakeholders, and will integrate this document into relevant processes, templates (including those for legal arrangements), and operational tools.

#### **V. Budgetary implications**

17. If approved, implementation of the proposal will be accommodated within existing Secretariat budgets, with modest incremental costs related to staff training, guidance development, and operational tool updates. No additional Board-approved budget is anticipated at this stage. Overall budget implications will be considered as part of the multi-year work programming and budget exercise.

#### **VI. Research & consultation**

18. The proposal draws on a broad evidence base and extensive stakeholder consultations, which have informed both the revised Updated Guidelines and the continued development of the proposed NOC Procedure. The inputs gathered to date have identified the challenges and implementation gaps described above and shaped the proposed policy solutions, including with respect to upstream engagement, readiness alignment, and NOP flexibility. The Secretariat's analysis has been further informed by evaluations conducted by the Independent Evaluation Unit (IEU) in 2019 and 2025, a prior Secretariat review (B.30/Inf.11/Add.03), and an ongoing benchmarking exercise examining country ownership practices across comparable climate and development finance institutions.

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<sup>5</sup> For example, if applicable, decisions [B.08/10\(a\)\(b\)](#) and [B.37/22/Annex XI](#).

19. The Board was consulted through efforts including: (i) two sessions on the margins of B.43; (ii) the informal session at B.44; (iii) two virtual technical sessions; (iv) nine bilateral calls with Board members and alternates; and (v) a written consultation exercise, which resulted in four submissions from Board members.<sup>6</sup> Within the Secretariat, the review was supported by 33 internal working sessions and a dedicated workshop, alongside four sessions with the Independent Units to ensure that interlinkages and potential impacts on areas within their respective mandates are reflected in the proposal.
20. NDAs and AEs were consulted through parallel survey and interview processes. A survey was issued to all 146 NDAs, yielding 40 responses, complemented by eight structured interviews. A separate survey was issued to 153 AEs, yielding 47 responses, complemented by 19 structured interviews.
21. Civil society observers (CSOs), private sector observers, and the Indigenous Peoples Advisory Group (IPAG) were consulted through sessions on the margins of B.43 and B.44. CSOs also attended one Board technical session and provided comments through the written consultation exercise. IPAG was consulted through an additional meeting.
22. The feedback received to date has informed the revisions reflected in the Updated Guidelines (Annex I) and the issues presented for discussion in the information note on the NOC Procedure (Annex II).

## VII. Monitoring and review

23. If approved, the Secretariat will monitor and periodically review the implementation of this document, as appropriate, to assess whether it is achieving its core objectives in practice. This will draw on implementation experience, stakeholder feedback, and lessons from regional dialogues and evaluations, including those conducted by the IEU. Such insights will inform future revisions to the Updated Guidelines and NOC Procedure as needed, and support the ongoing development of the Fund's broader policy and operational frameworks.

## VIII. Recommended action by the Board

24. The Secretariat recommends that, at the B.45 formal session, the Board:
- (a) Discuss the revised Updated Guidelines (Annex I);
  - (b) Provide guidance on the issues identified in the information note relating to the continuous development of the NOC Procedure (Annex II); and
  - (c) Take note of the Secretariat's intention to continue consultations and finalize the package for submission to the Board for decision at B.46.

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<sup>6</sup> The Secretariat remained flexible to facilitate Board participation in the written consultation exercise, including by extending the initial consultation period and accepting comments submitted after the deadline.

## Annex I: Updated guidelines for enhanced country ownership and country drivenness

### I. Objectives

1. These Guidelines for enhanced country ownership and country drivenness (Guidelines) provide a framework for the Green Climate Fund (GCF or the 'Fund') and its stakeholders to strengthen and operationalize country ownership in GCF programming and operations. Country ownership, including the principle of country-driven approaches, is a core objective embedded in the Fund's Governing Instrument and reflected across its policies, investment criteria, and operational modalities. Building on this foundation, the Guidelines provide a frame of reference that emphasizes national leadership and recognizes that each country is ultimately responsible for its own climate agenda.
2. The Guidelines aim to enable all relevant institutions to advance a dynamic and inclusive approach to country ownership and foster a culture of collaboration, mutual accountability, and learning, thereby improving outcomes over time. Specific objectives include:
  - (a) To articulate principles and enabling conditions for active and effective country leadership in implementing the Fund's mandate;
  - (b) To clarify the roles and responsibilities of National Designated Authorities or Focal Points (collectively, 'NDAs'), Accredited Entities (AEs), and the Fund to promote country ownership in the context of GCF activities;
  - (c) To identify specific practices and mechanisms for enhancing country ownership across all stages of the GCF business cycle;<sup>1</sup> and
  - (d) To set out a No-objection and consultation procedure (NOC Procedure) governing how stakeholders shall demonstrate consistency with national climate strategies and plans at key points in the GCF business cycle.

### II. Guiding principles

3. The Fund approaches country ownership and country drivenness as the measure through which developing countries lead and direct climate action, including by identifying priorities, shaping investment pathways, planning and overseeing projects, and engaging with relevant stakeholders. This foundation supports system-level change by enabling countries to build the leadership, institutional capacity, and commitment needed to achieve high-impact climate outcomes in alignment with national priorities and societal needs. Strong country ownership reduces reliance on external actors, advances institutional resilience and inclusiveness, and reinforces the enabling environments (including policies, regulations, and market incentives) required to mobilize climate investment at scale. Enhancing country leadership is critical to the long-term sustainability and impact of the Fund's operations.
4. This approach is guided by the following principles:

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<sup>1</sup> For the purposes of these Guidelines, "business cycle" refers to the full continuum of engagement between GCF, countries, and partners. It encompasses not only the programming and investment process, but also the broader strategic, institutional, and relational activities that underpin effective and enduring country ownership. As detailed in this document, these include long-term planning, the strengthening of enabling environments, complementarity and coherence with other sources of development finance, readiness and capacity support, relationship-building, dialogue, knowledge-sharing, and learning, among others.

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- (a) **Country alignment:** Country ownership requires that funded activities be anchored in nationally determined goals, strategies, and plans (including Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and Long-Term Low Emission Development Strategies (LT-LEDS),<sup>2</sup> and remain aligned throughout planning, programming, implementation, and learning. Proposals should consider multi-level priorities (including local, subnational, national, and, where relevant, regional dimensions) and support country-driven pathways to climate-resilient and low-emission development.<sup>3</sup>
- (b) **Country-driven prioritization:** While alignment with national priorities is a foundational condition, effective country ownership also encompasses a country-led process for prioritizing among eligible proposals and investment options, taking into account the comparative advantages and mandates of other climate funds and international financial institutions. Consistent with the Fund's mandate and investment criteria, this process should be informed by the potential of the proposed activities to catalyse impact beyond a one-off project or programme investment (i.e., paradigm shift potential).<sup>4</sup>
- (c) **Inclusive engagement:** Meaningful country ownership requires broad and sustained multi-stakeholder<sup>5</sup> engagement as part of a whole-of-society approach, beyond government leadership and decision-making. Engagement should be conceived as a continuous process across the business cycle and promote participation practices that are inclusive, transparent, equitable, iterative, gender-responsive, and sensitive to diverse stakeholder needs.<sup>6</sup>
- (d) **Capacity and institutional development:** Enhancing country ownership requires maintaining and strengthening institutional capability, technical capacity, and enabling environments, so that national actors can shape, deliver, and self-sustain climate action at scale. Strong institutions support effective coordination, priority-setting, resource mobilization, and project planning and delivery, as well as policies and market conditions to foster investment and long-term impact.
- (e) **Use of country systems:** Where feasible and appropriate, country ownership may be enhanced by anchoring climate finance in national institutions, processes, and accountability frameworks. Depending on the context, these may include country systems for policy formulation, economic planning, public financial management, procurement, auditing, monitoring, and evaluation. In GCF operations, use of such systems requires compliance with applicable fiduciary, environmental and social, and gender standards.
- (f) **Transparency and clear accountability:** Effective country ownership is grounded in informed decision-making, transparency, and clear accountability between NDAs, AEs,

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<sup>2</sup> Investment criteria indicators ([B.22/15\(a\)](#)) at para. 10.

<sup>3</sup> Investment framework ([B.37/22](#)) at para. 4.

<sup>4</sup> Investment criteria indicators ([B.22/15\(a\)](#)) at para. 6.

<sup>5</sup> Relevant stakeholders may include, as appropriate, (i) public institutions; (ii) civil society organizations, community groups, trade unions, faith-based groups, and social movements; (iii) direct beneficiaries; (iv) project-affected communities; (v) Indigenous Peoples; (vi) youth, gender, and women's organizations; (vii) academia; and (viii) private sector representatives, including chambers of commerce, business councils, sectoral industry or producer associations (such as agriculture, forestry, or fisheries), domestic financial institutions and investors, and relevant project developers or operators. *See, e.g.*, Revised Environmental and Social Policy ([B.BM-2021/18](#)); Gender Policy ([B.24/15](#)); Indigenous Peoples Policy ([B.19/11](#)); Information Disclosure Policy ([B.12/35\(a\)](#)).

<sup>6</sup> *See, e.g.*, Investment framework ([B.37/22](#)) at para. 4; Updated monitoring and accountability framework for accredited entities (MAF) ([B.12/04](#)) at paras. 6(e), 29.

the Fund, and other relevant stakeholders. Setting well-defined responsibilities and expectations enables all partners to understand and fulfil their respective roles, supporting coordinated and proactive collaboration throughout the GCF business cycle.

- (g) **Fit-for-purpose mechanisms:** GCF mechanisms to operationalize country ownership should be sensitive to national contexts, providing flexibility to accommodate unique governance structures, legal frameworks, institutional capacity, and development priorities. To be fit-for-purpose, such mechanisms should advance country ownership alongside the Fund's broader strategic objectives, including predictability, efficiency, scale, and impact.

### III. Overview of roles and responsibilities

5. While country ownership is fundamentally rooted in national leadership, it can only be realized through mutually reinforcing roles among governments (including NDAs), AEs, the Fund, and other relevant stakeholders. To operationalize the principles outlined in Section II, the key roles and responsibilities of each partner are summarized below.

6. **Governments:** Governments bear ultimate responsibility for maintaining the political commitment, institutional capacity, and enabling conditions required for sustained climate action, through a whole-of-government approach that integrates line ministries and all relevant public authorities. This includes (i) setting national climate strategies and development plans; (ii) maintaining and strengthening the enabling environment to support climate action, including by driving policy and regulatory reforms to establish predictable climate investment frameworks; (iii) creating market conditions that attract private investment while maintaining appropriate safeguards and accountability mechanisms; (iv) coordinating and optimizing diverse sources of climate finance and broader development aid; (v) reporting on climate data pursuant to applicable international frameworks; and (vi) equipping NDAs with sufficient resources and authority to effectively lead engagement with the Fund. Where there are significant capacity and institutional constraints, including in vulnerable, fragile and conflict-affected states, governments are expected to cooperate with the Fund and partners to identify gaps and seek strategic support toward long-term objectives.

7. **NDAs:** NDAs serve as the primary interface between national governments and the Fund, and they are responsible for the strategic leadership of the country's GCF portfolio. This requires adequate capacity, resources, knowledge of national climate investment plans and investment frameworks across public and private sectors, and the ability to coordinate across government, partners, and society. Accordingly, countries are encouraged to locate NDAs within ministries or authorities with cross-government convening power and competency to lead, influence, or coordinate climate priorities, economic policy, and development planning. This foundation enables NDAs to (i) establish fit-for-purpose, transparent proposal approval and consultation mechanisms; (ii) coordinate investment planning and prioritization of the GCF pipeline, taking into account the comparative advantages and mandates of other climate funds and development institutions operating in the country; (iii) proactively engage with AEs across all stages of the business cycle; (iv) assess the quality of proposals, provide timely no-objection where applicable, and oversee implementation of projects across the full portfolio; and (v) coordinate stakeholders to build shared understanding of national priorities and promote accountability in GCF processes. NDAs are also expected to drive the strategic use of readiness and preparatory support to advance medium-term investment objectives and progressively strengthen national systems, including by supporting the accreditation and development of Direct Access Entities (DAEs), establishing or enhancing national coordination mechanisms, and improving the enabling environment for climate finance.

8. **AEs:** From the moment of accreditation, AEs must demonstrate a sustained commitment to advancing country ownership. This means (i) coordinating with NDAs and national stakeholders to identify opportunities aligned with national climate priorities; (ii) ensuring that concept notes and funding proposals reflect country strategies and plans; (iii) maintaining inclusive, transparent engagement throughout proposal development, implementation, and post-closure; (iv) taking necessary measures to ensure GCF policy requirements are respected; and (v) cooperating proactively with the Fund and national authorities on monitoring, accountability, and restructuring and cancellation scenarios. International Accredited Entities (IAEs), in particular, are expected to contribute meaningfully to capacity strengthening, including by supporting DAEs and establishing partnerships that foster genuine knowledge transfer, where appropriate and commensurate with the scope of the project.
9. **The Fund:** The Fund's overarching role is to foster conditions for countries to lead, by providing the resources, flexibility, and institutional support required to sustain inclusive, accountable, and self-reinforcing national climate action. This includes (i) providing predictable, multi-year readiness support aligned with national climate strategies and plans and contributing to the ongoing strengthening of national institutions at the centre of designing and implementing climate policy; (ii) enhancing direct access, including by supporting DAE accreditation, programming capacity, and reporting systems; (iii) ensuring transparency, consistency, and predictability in pipeline management and proposal assessment; (iv) maintaining clear and accessible policies and operational modalities, including by strengthening multilingualism; (v) enhancing engagement with partners, including by establishing a regional presence, structured dialogues, and embedded liaisons within NDAs; (vi) integrating country ownership considerations systematically into project appraisal, results measurement, portfolio management, and learning; and (vii) maintaining robust environmental and social risk management frameworks, as well as policies that promote meaningful inclusion of all relevant stakeholders across all stages of the business cycle.
10. **Delivery partners and executing entities:** Delivery partners and executing entities are expected to follow the principles outlined in these Guidelines. Depending on the context, they can play an important enabling role in (i) promoting country ownership by implementing GCF supported activities in alignment with national priorities; (ii) strengthening national and subnational institutions; (iii) facilitating inclusive stakeholder engagement; and (iv) maintaining ongoing coordination and accountability with NDAs and relevant national authorities.
11. **Other relevant stakeholders:** Diverse stakeholders including civil society, direct beneficiaries, project-affected communities, Indigenous Peoples, and private-sector entities help ensure that GCF-funded activities are evidence-based, culturally appropriate, gender-responsive, and aligned with community-level and market needs. This may include, where appropriate (i) informing pipeline development and project design by identifying locally relevant risks, opportunities, and solutions; (ii) collaborating with delivery partners and executing entities to support inclusive innovation and locally-led solutions; and (iii) engaging in participatory mechanisms to promote oversight, accountability, and learning.

## IV. Enhancing country ownership across the GCF business cycle

12. Building on the guiding principles above, the following guidelines are organized around three stages of the GCF business cycle: (i) investment planning and prioritization; (ii) project origination and programming; and (iii) implementation, monitoring, and evaluation. At each stage, these guidelines identify practical measures to strengthen alignment with national priorities, reinforce coordination and cooperation among relevant stakeholders, and enhance efficiency and accountability in delivery.

### 4.1 Investment planning and prioritization

13. At the investment planning and prioritization stage, countries exercise ownership by providing strategic leadership over their climate agenda. This involves moving beyond project-by-project decisions to directing climate investment pathways toward nationally determined objectives. Effective ownership depends on national authorities with cross-sectoral convening power, coordination frameworks that integrate relevant stakeholders and expertise, and planning processes that convert high-level commitments into prioritized pipelines. The aim is to embed climate investment within broader economic and development strategies and ensure an enabling environment for sustained implementation. This objective is advanced through the following practices.

14. **Institutional leadership:** NDAs with strong mandates, adequate resources, and dedicated staffing are best positioned to lead a country-owned climate agenda. Countries are encouraged to:

- (a) Locate NDAs within ministries or authorities with cross-government convening power and competency to lead, influence, or coordinate climate priorities, economic policy, and development planning;
- (b) Equip NDAs with senior-level authority and dedicated staffing to coordinate engagement with GCF;
- (c) Build capacity within NDAs to facilitate multi-stakeholder engagement and maintain a comprehensive overview of readiness activities, funding proposals, and engagement with other climate funds; and
- (d) Leverage readiness resources to develop institutional systems, strengthen NDAs, and support inclusive national and subnational coordination.

15. **National coordination mechanisms:** National coordination mechanisms enhance country ownership by facilitating continuous alignment, structured coordination, and accountability among government agencies and relevant stakeholders.<sup>7</sup> Countries are encouraged to:

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<sup>7</sup> For purposes of these Guidelines, the term “national coordination mechanisms” refers to country-led institutional arrangements that coordinate climate action and climate finance across government, development partners, and relevant stakeholders, including civil society and the private sector. They may include Country Platforms, country programmes, inter-ministerial committees, or other coordination bodies established by national authorities. Among other functions, such mechanisms enable countries to (i) translate high-level climate commitments into coherent sectoral priorities, investment strategies, and project pipelines; (ii) align, mobilize, and optimize finance from GCF and other development institutions; (iii) facilitate multi-stakeholder engagement; and (iv) strengthen monitoring, learning, and accountability for climate investments.

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- (a) Establish or strengthen national coordination mechanisms that are embedded in existing institutional systems and function as a continuous process across the entire business cycle;
  - (b) Ensure participation from relevant ministries, subnational governments, and institutions with mandates relating to gender, youth, and social inclusion;
  - (c) Enable structured and regular engagement of relevant stakeholders, including civil society, the private sector, academia, intended beneficiaries, and Indigenous Peoples where appropriate; and
  - (d) Leverage readiness support to operationalize and sustain such mechanisms.
16. **Strategic planning:** Effective country leadership requires coordinated planning to maximize coherence, efficiency, and impact of climate investments. To translate high-level national commitments (such as NDCs) into an actionable climate strategy, countries are encouraged to:
- (a) Leverage national coordination mechanisms, other national platforms, or multi-stakeholder committees to implement a coherent and integrated process for climate investment planning;
  - (b) Conduct systematic assessments of institutional and economic barriers to investment, including constraints related to governance, regulatory frameworks, market conditions, and implementation capacity;
  - (c) Adopt evidence-based approaches to define sectoral priorities, sustainable investment plans, and tangible project and policy pipelines;
  - (d) Align climate action with broader development planning by embedding climate priorities within national, subnational, and regional development strategies;
  - (e) Draw on existing investment frameworks, initiatives, regional cooperation opportunities, and sources of development finance to map gaps, avoid duplication, leverage synergies, and enhance complementarity and coherence; and
  - (f) Leverage readiness support to strengthen capacity for climate investment planning and coordination.
17. **Predictability and transformative impact:** Upstream engagement between countries and GCF facilitates integrated planning, early prioritization of proposals, predictable pipelines, and the gradual improvement of enabling conditions for climate finance. To enhance this partnership's transformative impact:
- (a) Countries are encouraged to:
    - (i) Engage proactively with the Fund, including through structured dialogues and regional teams, to coordinate alignment of national and sectoral priorities with GCF operations and investment opportunities;
    - (ii) Working closely with the Fund and relevant AEs, agree on a prioritized, time-bound pipeline of concept notes and funding proposals that align with national development and climate objectives as well as GCF investment criteria;
    - (iii) Periodically review and update pipelines to reflect evolving national priorities, lessons learned, and changing contexts, ensuring the GCF partnership remains dynamic, responsive, and country-driven;

- (iv) Leverage the Fund's convening role and readiness resources to identify, sequence, and undertake legal, regulatory, policy, or institutional improvements to strengthen the enabling environment;
- (b) The Fund will, subject to resource availability:
  - (i) Promote transparency, consistency, and predictability in engaging with countries, including by clearly communicating policies, programming intentions, resource availability, and investment priorities;
  - (ii) Improve the clarity and accessibility of applicable policies and operational modalities, including by strengthening multilingualism in the Fund's operations;
  - (iii) Consistent with the Fund's mandate, inform investment decisions by criteria including the potential of proposed activities to deliver paradigm-shifting, systemic, and transformative outcomes; and
  - (iv) As appropriate, support countries in planning and optimizing access to broader sources of climate finance, including through national coordination mechanisms.
- 18. **Enhanced country systems and accreditation:** Strengthening local institutions, including DAEs, is essential to ensuring that funded activities are country-driven and anchored in national systems. To support this objective:
  - (a) NDAs are expected to identify DAE candidates that can advance the country's key priorities and climate ambition, with GCF support as appropriate;
  - (b) Countries are encouraged to leverage readiness resources under the country window or dedicated DAE support modality to help DAEs meet accreditation standards and enhance capacity for project preparation and implementation;<sup>8</sup>
  - (c) AEs are required to engage with governments and GCF to clarify how they will contribute to national strategies, assess institutional readiness, and identify gaps that must be addressed before entering the project cycle;<sup>9</sup>
  - (d) Where applicable, IAE candidates must demonstrate support to DAEs as part of their accreditation screening;<sup>10</sup> and
  - (e) GCF will continue to prioritize expanding the number and role of DAEs in programming, supported by predictable readiness resources and tailored technical assistance.<sup>11</sup>

## 4.2 Origination and programming

19. At the origination and programming stage, country ownership entails driving the climate investment pipeline, guiding capacity and institutional development priorities, and ensuring inclusive stakeholder participation. This requires close collaboration among countries, AEs, and the Fund to optimize the use of country systems while maintaining context-sensitive, fit-for-purpose procedures that support national leadership from concept development through approval. The practices below operationalize these objectives.

20. **Country-driven pipeline development:** Country-driven pipelines require alignment with established priorities, cross-government coordination, meaningful consultation of relevant

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<sup>8</sup> Readiness Strategy 2024-2027 ([B.37/17](#)) at para. 24.

<sup>9</sup> Accreditation Framework ([B.42/04](#)) at para. 12.

<sup>10</sup> Accreditation Framework ([B.42/04](#)) at para. 29.

<sup>11</sup> Strategic Plan for the Green Climate Fund 2024-2027 (USP-2) ([B.36/17](#)) at para. 18(f).

stakeholders, and constructive collaboration between NDAs and AEs. To support these objectives:

- (a) Countries are encouraged to:
  - (i) Work closely with AEs through NDAs, national coordination mechanisms, or other inclusive planning processes to identify priority projects for GCF financing;
  - (ii) Where appropriate, build on existing country programmes and work with AEs, in particular DAEs, to advance a GCF pipeline of high-quality concept notes that are aligned with strategic priorities and results;<sup>12</sup>
- (b) In originating and developing ideas, AEs are expected to:
  - (i) Engage NDAs meaningfully and consistently throughout the development process, beginning at the concept note stage;
  - (ii) Begin consultations as early as feasible, including through in-person or substantive virtual meetings where possible, and provide adequate notice and meaningful opportunity for NDA input;
  - (iii) Share transparent information on project design, implementation arrangements, and financial structures as appropriate, to enable informed national decision-making;
  - (iv) Ensure meaningful and inclusive multi-stakeholder consultation and compliance with applicable disclosure and safeguard requirements;<sup>13</sup>
  - (v) Where relevant, provide written evidence of consultation to the Secretariat, such as correspondence, meeting summaries, materials shared for review, or documentation of follow-up efforts;
- (c) Throughout Secretariat review and consideration of concept notes, Project Preparation Facility (PPF) applications, and funding proposals:
  - (i) The AEs and Secretariat will keep NDAs informed of relevant developments and feedback throughout the review process in a timely manner; and
  - (ii) Where revisions are made, the AEs will share with the NDAs the final version of the concept note, PPF application, or funding proposal submitted to the Secretariat, consistent with the NOC Procedure as set out in the appendix to these Guidelines.

21. **Fit-for-purpose no-objection process:** Countries are expected to develop fit-for-purpose, nationally appropriate processes to determine alignment and demonstrate support for specific activities, consistent with the NOC Procedure.

22. **Private sector and multi-country activities:** Meaningful upstream engagement is particularly important for private sector and multi-country activities, which are often more dynamic and less predictable during early development.<sup>14</sup> In these contexts:

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<sup>12</sup> See, e.g., Readiness Strategy 2024-2027 ([B.37/17](#)), Outcome 2.2.

<sup>13</sup> See, e.g., Revised Environmental and Social Policy ([B.BM-2021/18](#)); Gender Policy ([B.24/15](#)); Indigenous Peoples Policy ([B.19/11](#)); Information Disclosure Policy ([B.12/35\(a\)](#)).

<sup>14</sup> In private sector operations, factors such as evolving deal pipelines, market-dependent investment opportunities, commercial confidentiality, fiduciary restrictions, and sensitivity of transaction-specific information may constrain full transparency during proposal development. In multi-country scenarios, uncertainty over country readiness, co-financing arrangements, cross-country sequencing decisions, or regulatory requirements, among other circumstances, may prevent early definition of detailed design elements.

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- (a) AEs are expected to proactively and transparently engage with each participating NDA, beginning at the concept note stage, including by:
- (i) Addressing information gaps;
  - (ii) Clarifying overarching and country-specific objectives for multi-country activities;
  - (iii) Providing realistic targets and expectations;
  - (iv) Promptly communicating and justifying material changes to initial design, scope, and estimated impact;
- (b) Countries retain full discretion to consider such concept notes and funding proposals on a case-by-case basis, or to prioritize GCF support for single-country and public sector modalities; and
- (c) Where requested and as appropriate, the Secretariat will provide guidance and support to facilitate effective engagement between AEs and NDAs.
23. **Enhanced country systems and programming capacity:** Strengthening country ownership requires sustained investment in institutional and technical capacity for high-quality, country-driven programming, including in proposal development, financial structuring, safeguards, and climate rationale. To advance these goals:
- (a) Countries are encouraged to coordinate with GCF to leverage readiness resources systematically and aligned with medium-term institutional needs, including to:
- (i) Support DAEs to strengthen institutional systems, build technical capacity for pipeline development, and improve project design skills (including climate rationale, feasibility assessments, and gender and social inclusion);
  - (ii) Support national financial institutions, including public and private entities, to integrate climate considerations in their operations and originate climate-aligned investment opportunities;<sup>15</sup>
- (b) AEs, in particular DAEs, are encouraged to leverage PPF resources for project-specific support, including:
- (i) Feasibility and pre-feasibility studies, technical design, and cost-benefit analyses;
  - (ii) Market and risk assessments necessary to establish climate rationale and evaluate project viability;
  - (iii) Environmental, social, and gender assessments;
  - (iv) Stakeholder engagement processes;
  - (v) Where justified, pre-contract or transaction-related services such as procurement preparations or legal and financial advisory inputs; and
- (c) IAEs are expected to work closely with national partners, including DAEs, to help build capacity through proposal development, collaborative design processes, and structured plans for ongoing knowledge transfer.<sup>16</sup>

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<sup>15</sup> Strategic Plan for the Green Climate Fund 2024–2027 (USP-2) ([B.36/17](#)) at para. 18(f)(g).

<sup>16</sup> See, e.g., Accreditation Framework ([B.42/04](#)) at paras. 10, 24(f).

### 4.3 Implementation, Monitoring, and Evaluation

24. During the post-approval stages, country ownership entails sustained national leadership to ensure strategic alignment, efficient delivery, inclusive accountability mechanisms, and continuous learning. This requires the capacity and commitment to oversee complex climate programmes, manage risks, respond promptly to implementation challenges, and incorporate lessons learned into broader policy frameworks and future investment planning. The following practices support these objectives.

25. **Enhanced monitoring and accountability:** To maintain meaningful ownership during implementation, national authorities should exercise visible leadership in ongoing monitoring and ensure inclusive oversight of funded activities. To advance these goals:

- (a) NDAs are encouraged to:
  - (i) Use national coordination mechanisms or other structured fora to review progress, discuss implementation challenges, and integrate lessons learned into national planning;
  - (ii) Ensure meaningful multi-stakeholder engagement, including, where appropriate, through participatory monitoring, periodic participatory reviews of the GCF portfolio, and communications in relevant local languages;
  - (iii) Leverage readiness resources to strengthen national capacity for participatory monitoring and portfolio oversight;
- (b) AEs must facilitate NDA and GCF oversight, including by:
  - (i) Complying with explicit reporting obligations to GCF, including by submitting Annual Performance Reports (APRs);
  - (ii) Sharing evidence of country consultations conducted during the reporting period, as part of APR submissions to GCF;
  - (iii) Sharing with each relevant NDA the APRs submitted to GCF, subject to applicable fiduciary, regulatory, and confidentiality standards;
  - (iv) Where feasible and appropriate, integrating NDAs into project governance arrangements, such as steering committees or advisory bodies;
- (c) The Fund will support effective national monitoring and AE accountability by:
  - (i) Convening structured annual dialogues with NDAs and AEs to discuss project implementation and facilitate coordinated oversight;
  - (ii) Making monitoring reports and information publicly available, in accordance with applicable policies;<sup>17</sup> and
  - (iii) Maintaining centralized systems for performance reporting, such as the Portfolio Performance Management System (PPMS), accessible to NDAs.

26. **Country-owned adaptive management:** When implementation challenges arise, effective coordination between NDAs, AEs, and GCF is essential to achieve approved objectives efficiently while maintaining alignment with national priorities. To support fit-for-purpose, country-owned adaptive management:

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<sup>17</sup> See, e.g., Updated monitoring and accountability framework for accredited entities (MAF) ([B.12/04](#)); Information Disclosure Policy ([B.12/35\(a\)](#)).

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- (a) Where required by the applicable GCF policies, and consistent with related guidance, AEs must:
- (i) Prepare requests for extensions, waivers, or modifications to funded activities in consultation with the relevant NDAs, including each participating NDA in multi-country contexts;
  - (ii) Begin consultations as early as feasible, including through in-person or substantive virtual meetings where possible, and provide adequate notice and meaningful opportunity for NDA input;
  - (iii) Share sufficient information to enable NDAs to assess the relevant request, subject to applicable confidentiality, fiduciary, and regulatory obligations;
  - (iv) Provide written evidence of consultation to the Secretariat, such as correspondence, meeting summaries, materials shared for review, or documentation of follow-up efforts;
  - (v) Seek written confirmation from the NDA regarding whether the proposed restructuring affects the status of the country's no-objection, where expressly required by applicable policies;
  - (vi) Keep NDAs informed throughout the review process, including by sharing any clarifications and the final version of requests submitted to GCF;
- (b) NDAs are expected to engage responsively and constructively with AEs, including by addressing requests and making decisions in a timely manner, consistent with operational effectiveness; and
- (c) The Secretariat will notify the relevant NDAs of final decisions on restructuring and cancellation requests.
27. **Enhanced country systems and implementation capacity:** Strengthening national systems and implementation capacity is essential to ensure that funded activities deliver results aligned with national priorities and contribute to sustainable climate outcomes. To advance these objectives:
- (a) Countries are encouraged to prioritize readiness support to equip NDAs, DAEs, and other national institutions with the skills, systems, and processes required to:
    - (i) Oversee implementation, manage risks, and measure and report climate impacts;
    - (ii) Comply with GCF standards and policies relevant to implementation, monitoring, evaluation, and reporting;<sup>18</sup>
    - (iii) Progressively enhance their ability to assure quality, oversee project delivery, and contribute to the country's broader climate finance architecture.<sup>19</sup>
  - (b) IAEs are encouraged to partner with national and local institutions during execution and implementation, including through co-execution arrangements, delegated functions, and use of national systems where feasible; and
  - (c) Consistent with MAF, the Fund will address AE performance and compliance issues through supportive and remedial measures, such as enhanced reporting, additional site

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<sup>18</sup> See, e.g., Integrated Results Management Framework (IRMF) (B.29/12).

<sup>19</sup> See, e.g., Readiness Strategy 2024-2027 (B.37/17) at para. 24,

visits, independent verification, time-bound action plans, and targeted capacity-building.<sup>20</sup>

28. **Country-focused evaluation and learning:** Effective country ownership extends beyond implementation to the systematic use of evidence and learning to improve climate finance governance, inform planning, and strengthen institutional capacity. To advance these goals:

- (a) Countries are encouraged to:
  - (i) Establish clear feedback loops that use monitoring data, implementation findings, evaluations, and stakeholder inputs to refine national priorities, improve investment approaches, and strengthen future GCF programming;
  - (ii) Maintain national data and learning systems (such as monitoring dashboards, tracking tools, or integrated project platforms) to oversee pipelines, monitor policy and institutional reforms, and facilitate multi-stakeholder review and early problem-solving;
  - (iii) Leverage readiness resources to promote knowledge-sharing and learning, including through national and regional cooperation;
- (b) AEs are expected to generate, share, and apply evidence from implementation and post-closure monitoring to improve project performance and inform future programming, in collaboration with NDAs and GCF; and
- (c) The Fund will support country learning and peer exchange by improving mechanisms that document origination, consultations, approvals, and portfolio performance, and by facilitating structured dialogues, workshops, and regional exchanges.

## V. Implementation arrangements

29. The Fund will advance the operationalization of these Guidelines, including the NOC Procedure, with a strong emphasis on policy coherence, mutual accountability, and effective engagement with relevant stakeholders. To ensure effective implementation:

- (a) The Secretariat will:
  - (i) Develop user-friendly communication materials and awareness-raising initiatives to promote a common understanding of country ownership and country drivenness (including principles, roles and responsibilities, and specific guidance), as well as clarity, predictability, and consistency in interpretation of the embedded NOC Procedure among NDAs, AEs, and other stakeholders;
  - (ii) Integrate these Guidelines, including the NOC Procedure, into existing processes and frameworks, including through the revision, clarification, or replacement of relevant guidance, templates (including those for legal arrangements), and operational tools, as appropriate;
  - (iii) Use these Guidelines, including the NOC Procedure, to inform the development or revision of future GCF policies, strategies, and operational modalities; and

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<sup>20</sup> See, e.g., Updated monitoring and accountability framework for accredited entities (MAF) (B.12/04) at paras. 35-40.

- (b) NDAs should integrate the NOC Procedure domestically, including by updating any existing national procedures and disseminating them to stakeholders in relevant local languages, as appropriate.
30. Where relevant, implementation will build on, and align with, existing policies, mechanisms, and processes;<sup>21</sup> structured dialogues; regional engagement; and portfolio and performance management systems.

## **VI. Monitoring and review**

31. The Fund will continue to assess how country ownership is interpreted and how these Guidelines, including the NOC Procedure, are implemented across different contexts, drawing on implementation experience, stakeholder feedback, and lessons from regional dialogues and evaluations, including those conducted by the Independent Evaluation Unit (IEU). Such insights will inform further updates to these Guidelines and the NOC Procedure and support the ongoing development of GCF's broader policy and operational frameworks.

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<sup>21</sup> See, e.g., Readiness Programme, revised Accreditation Framework, MAF, investment framework, revised Environmental and Social Policy, Indigenous Peoples Policy, Gender Policy, and Information Disclosure Policy.

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## Annex II: Information note on the proposed No-objection and consultation procedure

### I. Introduction

1. Prior to the forty-fourth meeting of the Board (“**B.44**”), the Secretariat issued a consultation draft of the Updated Country Ownership Guidelines, including a no-objection and consultation procedure to the Board.<sup>1</sup>
2. The proposed no-objection and consultation procedure (“**B.44 NOCP**”) was presented to the Board at the informal meeting preceding the forty-fourth meeting of the Board, as part of the informal discussion on the updated country ownership guidelines (“**Updated Guidelines**”). The NOCP is intended to be an integral part of the Updated Guidelines.
3. The Secretariat received a variety of feedback, prior to, during, and following the informal meeting. In view of the divergent feedback received, the purpose of this annex is to seek further Board guidance at the forty-fifth meeting of the Board (“**B.45**”), to enable the B.44 NOCP to be further refined and subsequently submitted to the Board for consideration at its forty-sixth meeting (“**B.46**”).
4. This annex is structured as follows:
  - (a) Section II sets out a brief summary of the key elements of the B.44 NOCP;
  - (b) Section III summarizes feedback received from stakeholders as it relates to the B.44 NOCP, as well as views on the existing no-objection procedure (“**NOP**”)<sup>2</sup> expressed by various NDAs during earlier consultation rounds relating to the Fund’s country ownership approach; and
  - (c) Section IV sets out guiding questions for the Board’s consideration at B.45.

### II. Key elements of the B.44 NOCP

5. The B.44 NOCP was developed taking into account the views and findings from the Independent Evaluation Unit (“**IEU**”) on matters relating to country ownership and the no-objection letter (“**NOL**”); feedback from stakeholders, including NDAs, during the consultations on the Fund’s country ownership approach; as well as Secretariat’s lived experience implementing the NOP (including the Secretariat’s engagements with both NDAs and accredited entities in the context of programming).
6. One overarching objective of the B.44 NOCP was to clarify the function of a country’s no-objection in the programming cycle, within the context of the Updated Guidelines, as well as GCF’s broader strategies and policy framework. The proposal emphasized that the no-objection process must not be considered in isolation or itself equated with country ownership, but rather positioned as an integral part of a broader continuum of engagement alongside other country ownership safeguards, as further elaborated in the Updated Guidelines.
7. This objective echoes the following finding from the IEU:

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<sup>1</sup> Consultation Draft: Updated Country Guidelines, including a No-Objection and Consultation Procedure, GCF/Consultation Draft, 11 March 2026.

<sup>2</sup> Decision B.08/10, Annex XII

*“Clearly, there are multiple factors that inform country ownership. Yet country ownership has at times been reduced to meaning government acceptance of FP [Funding Proposal] design by external stakeholders as documents in no-objection letters (NOLs). Country ownership is complex and goes well beyond NOLs.”<sup>3</sup>*

8. Moreover, the B.44 NOCP mandates much closer, and earlier, engagement between accredited entities and NDAs, reflecting strong and consistent feedback from NDAs and IEU findings. Drawing on further insights from stakeholders, the B.44 NOCP also includes additional detail governing the application of the procedure to multi-country projects, a matter that is absent in the current NOP.
9. In addition to introducing mandatory consultation requirements during the development of concept notes and funding proposals, the B.44 NOCP introduced one material change relative to the NOP: **a differentiated approach** to demonstrating a project’s consistency with a country’s national climate strategies and plans.
10. Specifically:
  - (a) For projects which include grant instruments or instruments which create direct or contingent financial liability for a country, the country’s confirmation that the project is consistent with its national climate strategies and plans would be demonstrated through the relevant NDA(s) issuing a NOL in respect of the project; and
  - (b) For projects which only include instruments which do not create direct or contingent financial liability for a country, the country’s confirmation that the project is consistent with its national climate strategies and plans would be demonstrated through evidence of meaningful consultation between the accredited entity and the relevant NDA(s),
11. Additionally, the B.44 NOCP included provisions to enable, where explicitly authorized by the Board, certain classes of projects which might otherwise fall within paragraph 10(a) above, to instead apply the consultation procedure in paragraph 10(b) as a means of demonstrating the projects consistency with a country’s national climate strategies and plans. This provision would serve the purpose to address, for example, some of the challenges faced by Indigenous Peoples when seeking access to climate finance, as well as potential structural barriers to locally-led projects.

### III. Summary of stakeholder feedback

12. Consultations on the B.44 NOCP indicated broad convergence on the need to strengthen country ownership, particularly through earlier engagement, clearer roles, and improved coordination across the GCF business cycle. However, views diverge significantly with respect to the introduction and scope of the differentiation proposed under the B.44 NOCP.
13. A number of stakeholders expressed support for a differentiated approach as a means to improve efficiency, reduce procedural bottlenecks, and better accommodate private sector modalities and multi-country projects. These stakeholders noted that a uniform no-objection requirement may not be fit-for-purpose across diverse instruments and operational contexts.
14. Other stakeholders, while open to differentiation in principle, emphasized the need for robust safeguards, operational clarity, and avoidance of excessive complexity, highlighting risks

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<sup>3</sup> A Synthesis Study on the Green Climate Fund: An interim deliverable under the Third Performance Review, 2<sup>nd</sup> ed., Independent Evaluation Unit, Green Climate Fund, December 2025, para 76.

associated with inconsistent implementation and potential uncertainty for NDAs and accredited entities.

15. Some stakeholders, however, expressed significant concerns with the proposal. In particular, they noted that differentiation may actually weaken country ownership and shift authority away from NDAs. These stakeholders generally favor retaining mandatory no-objection requirements across all project types,<sup>4</sup> while strengthening upstream consultation and improving process efficiency within the existing framework.

16. In the context of broader consultations on the Fund's overall country ownership approach, NDAs expressed concerns including: pressure to issue NOLs; lack of accredited entity engagement following NOL issuance; and challenges in issuing NOLs for private sector and multi-country projects, stemming primarily from limited transparency, misalignment with national priorities, and weak stakeholder engagement. Most NDAs emphasized the need for early and continuous engagement, information sharing, and consultation throughout the business cycle. However, NDA views varied widely on which specific project stage would be most appropriate for no-objection verification.

#### IV. Guiding questions

17. As reflected in the Updated Guidelines, the Secretariat considers that evidence of country ownership in the context of funding proposal approvals ought not to be a last-minute procedural requirement, but rather a substantive imperative that is operationalized and evidenced right from the point of concept development (and until project closure).

18. Consequently, and having regard to paragraph 46 of the Governing Instrument, evidence of an NDA's no-objection to a project for the purposes of submitting a funding proposal to GCF for appraisal and subsequent consideration by the Board does not, in itself, equate to "country ownership" over that activity. Instead, it is a point-in-time demonstration that the proposed project is consistent with the relevant country's national climate strategies and plans, and that the country considers the proposed financing to be a priority for financing from GCF. To be effective as a country ownership safeguard, the no-objection should be preceded by substantive engagement and meaningful consultation during the development of the concept and/or funding proposal.

19. Moreover, evidence of an NDA's no-objection to a project should not, in itself, entail any legal liability on the part of a country, it being understood that the implementation of many projects would still require, in due course, various governmental or regulatory approvals. Accordingly, evidence of no-objection at the approval stage does not prejudice the right of a country to subsequently grant, or not grant, any necessary governmental or regulatory approvals, or to cease participation in an approved project prior to any legal commitments being made.

20. Equally, receipt by GCF of evidence of no-objection to a project by an NDA does not guarantee that a project will be approved by GCF.

21. Based on this purpose and understanding of what a country's no-objection means in the context of funding proposals being considered for approval, and in light of the divergent views of stakeholders on the B.44 NOCP, the Secretariat seeks further Board guidance at B.45, with a

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<sup>4</sup> One set of stakeholders which raised concerns with the differentiation proposed in the B.44 NOCP instead proposed, in effect, differentiation for funding proposals submitted by accredited entities which are "[indigenous peoples' organizations] or [which] work extensively with Indigenous Peoples as part of the intended Indigenous Peoples direct access funding framework."

view to further developing the policy proposal for Board consideration at B.46, including through further consultation after B.45.

22. To facilitate the Board's deliberations on this matter at B.45, and the subsequent development of the proposal, the Secretariat seeks Board guidance on the following.

- (a) **Differentiation:** Does the Board agree with pursuing a differentiated approach to demonstrating a country's no-objection to a project which is proposed to GCF for approval? If so:
- (i) *Basis for differentiation:* What is the appropriate basis for differentiation? Is the differentiation proposed in the B.44 NOCP (and summarized in paragraphs 10 and 11 above) appropriate, or should differentiation be based on different criteria?
  - (ii) *Safeguards:* What safeguards are necessary to ensure that country ownership is preserved in those projects where a formal NOL may not be required? For example:
    - (1) Would a detailed set of consultation guidelines or standards (applicable across the full programming cycle) be appropriate?
    - (2) Would the possibility that a funding proposal may not be recommended to or approved by the Board in the absence of sufficiently robust evidence of consultation and engagement constitute an appropriate safeguard?
    - (3) Should the procedure allow individual NDAs to opt-out of the differentiated approach?
  - (iii) *Timing:* When should the evidence of no-objection (i.e., formal NOL or evidence of meaningful consultation) be provided? For example, must it be provided prior to the submission of a concept note to GCF, the submission of a funding proposal to the Secretariat for appraisal, or prior to submission of a funding proposal to the Board?
- (b) **Strengthening the NOL process:** Whether or not there is differentiation, how can the NOL process be improved?
- (i) *Processing of NOL requests:* How can the policy proposal encourage the timely and efficient processing of NOL requests, while preserving country ownership and national decision-making processes? For example, should there be an indicative response window for NDAs to provide a NOL or otherwise communicate their position on a proposed project? If so, what should happen if no response is received within that period?
  - (ii) *Predictability:* How can the policy proposal promote greater predictability and clarity of NDA decisions on NOL requests? For example, if an NDA decides not to provide a NOL or otherwise objects to a proposed project, should the NDA be encouraged to communicate the reasons for its decision?
  - (iii) *Stronger NDAs:* Given that the NOL serves to confirm a project's alignment with national priorities and whole-of-government strategies, how can the policy proposal encourage effective national coordination and decision-making in the no-objection process? For example, should the Updated Guidelines provide additional guidance to governments regarding the appropriate national authority to perform this role?



- (c) **Countries without a recognized NDA:** Should the policy proposal provide alternative pathways for GCF to approve projects in countries where there is no recognized NDA (and therefore no ability to consult with the NDA and/or receive an NOL from the NDA)? Or should this matter be taken up as a separate mandate?
-