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# Implementation review of the Policy on Restructuring and Cancellation

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## **Summary**

This document presents the implementation review of the Policy on Restructuring and Cancellation (the Policy) which was adopted by the Board through decision B.22/14.

The review provides an opportunity for the Board to consider the Secretariat's findings arising out of the review.

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## I. Introduction

### 1.1 Background and mandate

1. The Policy on Restructuring and Cancellation (the “Policy”) was adopted by the Board in decision B.22/14 in February 2019 and serves as GCF’s framework for managing post-approval changes to funded activities, including waivers, extensions, and change requests. In its final paragraph, the Policy provides for a review of its implementation after three years. Through the same decision, the Board requested the Secretariat to provide a report on the implementation of the Policy for the Board’s consideration and further guidance.

2. The Board first considered the *Review of the Policy on Restructuring and Cancellation*<sup>1</sup> at B.43 in October 2025 (the “Initial Review”). During the discussions at B.43, Board members generally welcomed the Initial Review as a useful basis for further consideration and acknowledged the work undertaken to advance revisions to the Policy. Board members also requested further clarification on the rationale for the proposed revisions through implementation experience and lessons learned, and additional elaboration on how any revised arrangements would enhance efficiency while maintaining country ownership, ahead of the presentation of revisions to the Policy for Board consideration.

3. Consistent with this guidance, the Secretariat carried out the present enhanced review of the implementation of the Policy (the “Enhanced Review”), building on the findings of the Initial Review and undertaking further consultations and analysis of lessons learned.

### 1.2 Policy rationale and objective(s) of the Enhanced Review

4. The rationale of the Policy is to provide a framework for managing changes to GCF-funded activities that may arise following Board approval of the underlying funding proposal. Such changes may result from evolving country contexts, technical considerations, or other implementation-related developments.

5. In this context, the Policy sets out a structured approach to GCF’s processing of extensions, waivers (as defined in the Policy), and change requests. It is intended to facilitate the timely consideration of post-approval requests within an established decision-making framework. In addition, the requirements in the Policy for information to, consultation with, and no-objection by (as applicable), the relevant national designated authority or focal point (NDA) are intended to ensure continued country ownership of GCF-funded activities.

6. Consistent with the objectives of the Policy outlined above, the objectives of the Enhanced Review include assessing:

- (a) Whether a clear and consistent framework has been provided to regulate modifications to GCF-funded activities;
- (b) Whether efficient use of GCF resources and commitment authority could be strengthened post-Board approval of the underlying funding proposal; and
- (c) Whether the Policy’s requirements effectively ensure country ownership in the context of modifications to a funded activity post-Board approval.

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<sup>1</sup> <https://www.greenclimate.fund/document/gcf-b43-19>.

## 1.3 Methodology and key indicators for the Enhanced Review

7. Building on the Initial Review, this Enhanced Review draws on the Policy implementation experience following B.22 to B.44 through the following sources of evidence.

### 1.3.1. A desk review of requests processed under the Policy and related data

8. In the period following the adoption of the Policy in February 2019 through the end of 2025, the Policy was used to process 608 requests, with 55 requests having been approved by the Board in the same period. A further request under the Policy was submitted for Board consideration at B.44 in March 2026, resulting in a total of 56 requests approved by the Board under the Policy to date. The annual number of requests is presented in Table 1, demonstrating that demand for post-approval adjustments to funded activities has grown significantly as the size of the GCF portfolio grows.

**Table 1: Requests processed under the Policy**

	2019	2020	2021	2022	2023	2024	2025
No. of funded activities under implementation	75	116	190	209	243	286	336
No. of requests approved by the Board	3	7	3	13	10	10	9
No. of requests approved by the Secretariat	9	42	41	77	124	141	174 <sup>2</sup>

9. The 56 requests approved by the Board under the Policy to date relate to 40 different funded activities and 23 accredited entities (AEs), covering both public and private sector funded activities, as well as international access entities (IAEs) and direct access entities (DAEs). This distribution demonstrates that the Policy has been applied across a broad cross-section of the GCF portfolio. Please refer to Annex II for a more detailed breakdown of the types of requests approved by the Board.

### 1.3.2. A comparative review of the policies of relevant institutions

10. To support the analysis of analogous policies in relevant international financial institutions, the Secretariat commissioned a study in May 2025 from the consultancy firm Global Factor.<sup>3</sup> The study indicated that the Policy is broadly consistent with relevant policies of those institutions, in particular, in relation to the requirement for consultations with NDAs or similar authority. However, the frameworks of those institutions tend to differentiate more clearly among categories of change and corresponding approval pathways, and alternatives have been highlighted in the analysis of the implementation of the Policy below.

### 1.3.3. Relevant evaluations conducted by the Independent Evaluation Unit

11. Using information provided by the Independent Evaluation Unit (IEU) with respect to its past evaluations, the Secretariat considered relevant findings under seven evaluations

<sup>2</sup> Of which 84 were approved in 2025 already and the balance to be approved during 2026, the upward trend of requests continues in line with the increasing size of the portfolio.

<sup>3</sup> Global Environmental Facility (GEF) [Project Cancellation Policy](#) (2018) and [Amendments](#) (2025), Climate Investment Funds (CIF) [Pipeline Management and Cancellation Policy](#) (2020), Adaptation Fund (AF) [Policy For Project/Programme Delays](#) (2019); [Policy on Post Approval Requests for Changes](#) (2025); Global Fund [Operational Policy Manual](#) (2025), the World Bank Group (WBG): International Finance Corporation (IFC) [Approach to Responsible Exit](#) (n.d.), IBRD & IDA [Program-for-Results Financing](#) (2024); IBRD & IDA [Investment Project Financing](#) (2024); IBRD & IDA: [Environmental & Social Directive/Procedure for Investment Project Financing](#) (2023); IDA: [Directive: Recommitment of IDA Resources](#) (2024)

conducted by the IEU between 2019 and 2024.<sup>4</sup> For the purposes of this paper, these evaluations have been reviewed independently from the Secretariat position (“management response”) on those evaluations, which is not reflected in this paper. Relevant findings from those evaluations have been noted in the section on implementation findings below.

#### 1.3.4. Consultations with internal and external stakeholders

12. Prior to B.43, the Secretariat undertook extensive consultations (see Table 2) on the proposed B.43 policy package, as summarized below. While focused on the proposed revisions, the feedback received also provided useful information regarding the relevant stakeholder’s overall experience in the implementation of the existing Policy.

**Table 2: Consultations Undertaken on the proposed B.43 policy package**

Stakeholder	Consultations undertaken
<b>GCF staff</b>	<ul style="list-style-type: none"> <li>Written consultations with relevant staff from all Secretariat programming regions and the private sector facility on the text of the Policy were held between April to June 2025, as well as on the proposed revisions to the Policy.</li> </ul>
<b>Board members and active observers</b>	<ul style="list-style-type: none"> <li>Written consultations from 11 to 23 September 2025, with responses received from 11 Board members and alternate Board members and active observers; and</li> <li>Technical session on 18 September 2025, with 36 participants.</li> </ul>
<b>AEs</b>	<ul style="list-style-type: none"> <li>Written consultations from 11 to 23 September 2025, with responses received from 26 AEs; and</li> <li>Technical sessions on 16 and 23 September 2025, with a total of 138 participants from 55 AEs.</li> </ul>
<b>NDAs</b>	<ul style="list-style-type: none"> <li>Written consultations from 11 to 23 September 2025, with responses received from 10 NDAs; and</li> <li>Technical sessions on 17 and 24 September 2025, with a total of 60 participants from 33 countries.</li> </ul>
<b>Independent Units</b>	<ul style="list-style-type: none"> <li>Consultation session with the IEU, Independent Integrity Unit and Independent Redress Mechanism conducted on 17 September 2025, with all three Independent Units providing feedback.</li> </ul>

13. The response matrix with respect to the comments that the Secretariat received from Board members, civil society observers, AEs, and NDAs on the proposed B.43 policy package was included as an addendum to the Initial Review.<sup>5</sup>

14. Taking into account the feedback from the Board at B.43, the Secretariat conducted a further round of written surveys with AEs and NDAs from 28 January to 12 February 2026 that was focused on understanding the experience of these stakeholders in the implementation of the Policy to date. 13 AEs and 2 NDAs provided written responses to the written surveys.

15. In addition, the Secretariat also conducted technical sessions with AEs and NDAs as follows to obtain feedback on the implementation of the Policy:

<sup>4</sup> (2019) Forward-Looking Performance Review of the Green Climate Fund. Final Report; (2021) Independent Evaluation of the Adaptation Portfolio and Approach of the Green Climate Fund. Final Report; (2022) Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund’s Investments in the Least Developed Countries. Final Report – Volume I; (2022) Report of the Synthesis Study – An IEU Deliverable Contributing to the Second Performance Review of the Green Climate Fund; (2023) Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund’s Investments in the African States. Final Report – Volume I; (2023) Second Performance Review of the Green Climate Fund. Final Report – Volume I; (2024) Independent Evaluation of the Relevance and Effectiveness of GCF’s Investments in the LAC States. Final Report.

<sup>5</sup> <https://www.greenclimate.fund/document/gcf-b43-19-add01>.

- (a) Technical sessions with AEs on 10 and 11 February 2026, with a total of 81 participants from 29 AEs; and
  - (b) Technical sessions with NDAs on 10 and 11 February 2026, with a total of 35 participants from 21 countries.
16. Following the surveys and technical sessions conducted in January and February 2026, assessment of the feedback received, and further consultation with the Co-Chairs in relation to the limited responses received from NDAs, the Secretariat conducted a further written survey with the NDAs. The survey questions were refined to reflect the NDAs' unique role in the lifecycle of a GCF-funded activity, noting that many NDAs do not, generally, implement projects. Nine NDAs responded to this additional survey.
17. Relevant feedback and findings from the stakeholder consultations have been noted in the section on implementation findings below.

## II. Implementation findings and analysis of key issues

18. The Enhanced Review was informed by evidence obtained through the sources described above. Key implementation findings are organized around the following themes, with each finding identifying the relevant supporting sources:
- (a) Policy text;
  - (b) Country ownership and NDA engagement;
  - (c) Agile and responsive adaptive management; and
  - (d) Linkages with delays in disbursements.

### 2.1 Findings relating to the Policy text

#### 2.1.1. The Policy is insufficiently clear on the types of changes that qualify as "Major Changes"

19. Under paragraph 19 of the Policy, changes deemed to constitute a "Major Change" require Board approval. Paragraph 16 of the Policy lists 11 categories of changes that may qualify as a "Major Change," including six categories where the change only qualifies where it is "material" or "material and adverse."
20. In the feedback that the Secretariat received from AEs during the January and February 2026 consultations, almost all AEs commented on the subjective nature of these terms, which made it challenging for them to independently determine whether any given change request would fall within the category of a "Major Change".
21. Many AEs called on GCF to provide greater clarification on each of these 11 categories, including by defining the meaning of "material" in this context and by providing clear examples of changes falling within each category.
22. In the Secretariat's experience, the unique circumstances of each funded activity, combined with the requirement under the Policy to assess materiality for many change requests, has occasionally led to extended exchanges with AEs. In these cases, AEs repeatedly challenged the Secretariat's assessment of the change, significantly impacting the Secretariat's ability to process change requests expeditiously.
23. Moreover, based on the Secretariat's desk review of the "Major Change" requests which have been approved by the Board to date, the Secretariat has observed that:

- (a) Neither the Board nor the Secretariat are authorized to approve any changes that would render the funded activity inconsistent with the GCF mandate as provided for in paragraph 16(a) of the PRC, although no request for such a change has been received by the Secretariat to date;
- (b) There is some degree of overlap between paragraphs 16(d) and (e) of the Policy in relation to changes to executing entities;
- (c) There is ambiguity with respect to what “pricing”, as referred to in paragraphs 16(f) and (g) of the Policy means, in particular, in the context of non-loan financial instruments, e.g. equity investments; and
- (d) Similarly, there is also ambiguity in relation to the meaning of “financial structure” as referred to in paragraph 16(g) of the Policy, in particular, with respect to the types of financial instruments this paragraph is intended to apply to and the scope of its application.

#### **2.1.2. The Policy contains a significant amount of procedural detail better suited to operational guidance**

24. The Policy contains detailed procedural requirements with respect to the submission and processing of various types of requests, with later sections cross-referring to the processes set out in earlier sections. Two concerns have emerged regarding these requirements.

25. First, due to changing circumstances of projects and country contexts, some AEs have noted that the detailed timelines specified in these procedural requirements are not always achievable for reasons beyond their control. Feedback from Secretariat staff reflects a similar experience. Second, many AEs requested detailed operational guidance to support implementation of various parts of the Policy, together with publicly available templates.

26. In response to both concerns, consultations with Secretariat staff indicated that procedural requirements could be separated from core policy principles and moved to operational guidance, rather than included in a Board-approved policy. This would allow the Secretariat to provide more granular detail in a document that could be more easily updated in response to changing stakeholder needs.

#### **2.1.3. Lack of ability for Secretariat to unilaterally initiate change requests**

27. Under the Policy, all requests for extensions, changes, and waivers can only be initiated by the relevant AE. This is consistent with GCF’s business model, under which AEs are responsible for monitoring and supervising the implementation of funded activities. However, Secretariat staff involved in portfolio management have observed that not all AEs have been prompt in submitting change requests to GCF, leading to delays in adaptive management of funded activities experiencing implementation challenges, with the potential for delays in disbursements.

28. Some Secretariat staff have suggested that it would be more effective if the Secretariat were also empowered to submit requests under the Policy, irrespective of AE initiative. However, because GCF cannot unilaterally change the terms of signed legal agreements, continued reliance on AEs remains necessary.

## 2.2 Findings relating to country ownership and NDA engagement

### 2.2.1 Stakeholders support maintaining country ownership but identify implementation challenges in current consultation requirements

29. Under the Policy, requests are to be submitted by AEs in consultation with the NDA<sup>6</sup> and in certain circumstances, a new no-objection letter may be required.<sup>7</sup> These requirements reflect the importance of country ownership and meaningful NDA engagement in post-approval processes, an objective that was consistently emphasized by NDAs and Board members in stakeholder consultations. In practice, however, these requirements have posed challenges across various stakeholder groups.

30. NDAs have noted that AE consultations are not always timely, and that information provided by AEs is often insufficient to enable an informed review of the requests. Accordingly, they suggested strengthening consultation requirements and clarifying timelines for review.

31. AEs, while recognizing the importance of country ownership, have pointed to difficulties in undertaking the level of consultation that is expected of them. This is particularly the case where changes are administrative in nature; occur following a change of government or government restructuring; involve commercially sensitive or confidential information; or where there is lack of clarity around timelines, form, and depth of consultations and supporting evidence required.

32. Where AEs have not complied with the Policy's consultation requirements, the Secretariat has not always been able to process requests expeditiously, with a consequential impact on overall processing times and the corresponding risks that disbursements may be delayed.

### 2.2.2 Multi-country programmes face particular challenges under current consultation requirements

33. Building on the findings outlined in Section 2.2.1 above, both NDAs and AEs have noted challenges with the consultation requirements in the context of multi-country programmes. These include: the requirement to consult with all countries in the programme even if only one country is affected by the requested change; the uncertainty as to the status of a change request if not all countries agree to it; and the inability to disclose confidential or commercially sensitive information, which often leads to challenges in communicating the basis for a request to NDAs.<sup>8</sup>

34. These findings are consistent with the IEU's Second Performance Review of GCF, which observed that "*Private sector programmes - and particularly multi-country programmes - have struggled with the GCF's restructuring and cancellation policy requirements, including the need for no-objection letters from all country NDAs.*"<sup>9</sup>

35. During this review, many NDAs and AEs requested that the Policy better distinguish between single-country and multi-country programmes by explicitly recognizing differences in their respective coordination and consultation requirements. Stakeholders have noted that such clarification could contribute to reducing unnecessary procedural burden while safeguarding country ownership and ensuring that multi-country programmes are not unduly delayed by localized changes.

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<sup>6</sup> Paragraphs 11(a), 13, 19(a), 23 and 30 of the Policy.

<sup>7</sup> Paragraph 19(b) of the Policy.

<sup>8</sup> These challenges disproportionately affect private sector funded activities as compared to public sector funded activities because a greater proportion of those are multi-country programmes.

<sup>9</sup> (2023) Second Performance Review of the Green Climate Fund. Final Report – Volume I, pages 42 to 43, para. 109.

## 2.3 Findings relating to agile and responsive adaptive management

### 2.3.1. Restructuring has become a normal portfolio management tool rather than an exceptional mechanism

36. The Secretariat's desk review reveals that the GCF portfolio has grown significantly in size and complexity from the time the Policy was adopted, with a corresponding increase in the number of requests submitted by AEs under the Policy as the portfolio matures. The Secretariat has also gained a significant amount of practical experience in processing and approving such a wide variety and large number of requests.

37. This trend is also reflected in the IEU's Second Performance Review of GCF. Of the 40 projects reviewed by the IEU: (i) 88 per cent were on track to achieve their main outcome targets and objectives, despite delays; (ii) 29 per cent had already undergone major restructuring; (iii) 76 per cent had received recommendations for either Major or non-Major Changes; and (iv) 27 per cent were identified as having major weaknesses. Some projects overcame initial difficulties through restructuring, but around 25 per cent required fundamental changes in conditions, delivery, and management focus, while some were expected to require extensions.<sup>10</sup>

38. The comparative review of policies of peer institutions and the IEU's Forward-Looking Performance Review of GCF (2019)<sup>11</sup> both pointed to the need for greater Secretariat authority in managing procedural matters. The comparative review similarly identified features of peer institution policies that are relevant to the Policy, including more differentiated treatment of change categories, and clearer approval pathways for change requests.

39. As the number of adaptive management requests is expected to continue increasing, the Secretariat considers it critical to put in place arrangements that would enable it to act swiftly under clear and predictable standards. This objective was reflected in the proposal presented at B.43.

40. Feedback received from NDAs and AEs during initial consultations on the B.43 proposal generally welcomed efforts to streamline processes and delegate authority to the Secretariat. While acknowledging the need to avoid delays, NDAs also cautioned that efficiency gains must not weaken accountability or transparency. During additional consultations undertaken in January and February 2026, some AEs suggested that: (i) for extensions, the Secretariat should be authorized to approve all requests, potentially subject to clear caps; and (ii) for change requests, Board approval should only be required if the proposed changes deviate from Board-approved policies.

41. Similarly, feedback from Board members on the B.43 proposal generally supported delegation of authority to the Secretariat for deadline extensions to improve operational efficiency, while emphasizing the corresponding need for clear accountability safeguards.

## 2.4 Findings relating to linkages with delays in disbursements

### 2.4.1. Requirements under the Policy affect timely submission and processing of adaptive management requests

42. At B.43, the Board discussed the report on the Status of the GCF Resources, Pipeline and Portfolio,<sup>12</sup> which noted that GCF had committed funding of USD 18 billion, with cumulative

<sup>10</sup> (2023) Second Performance Review of the Green Climate Fund. Final Report – Volume I, page 101, para. 250.

<sup>11</sup> (2019) Forward-Looking Performance Review of the Green Climate Fund. Final Report, page 193, para. 48.

<sup>12</sup> [https://www.greenclimate.fund/sites/default/files/document/09-status-gcf-resources-portfolio-and-pipeline-gcf-b43-inf10\\_1.pdf](https://www.greenclimate.fund/sites/default/files/document/09-status-gcf-resources-portfolio-and-pipeline-gcf-b43-inf10_1.pdf).

disbursements reaching USD 5.9 billion as of August 2025. Several Board members highlighted concerns over low disbursement rates and called for a deeper examination of the underlying causes. Against this backdrop, the Initial Review was also presented at B.43, prompting several Board members to request an evidence-based assessment of the factors affecting the pace of disbursements and any potential impact of the Policy on these outcomes.

43. The Secretariat will continue to monitor and report on portfolio implementation and disbursement trends through its regular reporting to the Board, including through the Status of GCF Resources, Pipeline and Portfolio document. Based on the Secretariat's experience, delays in implementation and the corresponding timing of disbursements may arise from a wide range of factors, both within and outside the control of the AE. These include, for example, lengthy regulatory approval processes, changes in government, changes in market conditions, force majeure-type events, matters relating to project design, and other implementation challenges affecting funded activities.

44. Such implementation challenges may cause AEs to request deadline extensions or modifications to the funded activity, which must be processed in accordance with the Policy. As examined in Sections 2.1 and 2.2, AEs do not always file such requests promptly or proactively, and even where they do, other factors may prevent efficient processing by the Secretariat. For example, as noted above, AEs may face difficulties engaging with NDAs or otherwise be unable to provide the required evidence of consultation in a timely manner; equally, a lack of clarity on whether a particular change qualifies as a "Major Change" may require repeated exchanges between the AE and the Secretariat, delaying implementation and disbursements.

45. Moreover, where a change request does qualify as a "Major Change," the corresponding requirement for Board approval introduces an additional structural delay. Based on the Secretariat's experience of processing such requests, the interval between submission and Board consideration has typically ranged from 6 to 18 weeks depending on the timing of the request relative to Board meeting schedules, thus slowing the pace of implementation of the affected funded activity.

46. A related issue arises in the case of requests for extensions of Board-imposed deadlines under section 2.2 of the Policy. While the requirement for Board approval for second and subsequent extensions has incentivized AEs to comply with such deadlines promptly, the Secretariat has observed a very small number of instances where an AE was able to satisfy the relevant conditions within the "deemed extension" period provided for in paragraph 9 of the Policy but was nonetheless required to await the next Board meeting for formal approval. Such situations have resulted in avoidable delays in implementation.

47. Overall, the findings of this review suggest that the Policy may, in certain circumstances, contribute to the time required to process adaptive management requests submitted in response to implementation challenges. However, the Secretariat notes that such requests are typically a consequence of underlying implementation delays rather than their primary cause. Accordingly, while there may be opportunities to improve the efficiency and predictability of processes under the Policy, the Secretariat considers that disbursement performance is influenced by a broader range of factors extending beyond the scope of the Policy itself, the underlying reasons for delays are currently being examined and analyzed separately and will shortly be reported to the Board in a format to be agreed.

## 2.5 Conclusions of the Enhanced Review

48. Turning back to the objectives of the Enhanced Review outlined in paragraph 6 above, the Secretariat notes that:

- (a) With respect to whether the Policy provides a clear and consistent framework to regulate modifications to GCF-funded activities: although the Policy has been used to

process a wide variety of requests from both IAEs and DAEs, feedback from multiple stakeholders indicates that there is scope to clarify the text of the Policy, in particular with regard to “Major Change” categories and procedural matters;

- (b) With respect to whether efficient use of GCF resources and commitment authority can be strengthened post-Board approval of funding proposals: having regard to lessons learnt during implementation and to suggestions from AEs and NDAs during consultations, there are opportunities to streamline decision-making under the Policy and to strengthen mechanisms that ensure timely adaptive management with respect to funded activities facing implementation challenges, while preserving country ownership and Secretariat accountability; and
- (c) With respect to whether the Policy's requirements effectively ensure country ownership in the context of modifications to a funded activity post-Board approval: further work is required to clarify expectations relating to NDA consultation requirements, including relating to form, timelines, depth, supporting evidence, and appropriate differentiation between single-country and multi-country programmes.

### III. Next steps

#### 3.1 Potential revisions to the Policy

49. Consistent with the Board mandate and workplan, the Secretariat has undertaken the Enhanced Review to inform consideration of potential revisions to the Policy at a later meeting. Based on the findings outlined above, the Secretariat considers that Policy outcomes could be improved through measures relating to policy design and/or operationalization, including by:

- (a) Making the instances requiring Board approval more accessible, both in terms of clearer drafting and more objective criteria;
- (b) Providing for streamlined decision-making processes under the Policy, while preserving the Board's strategic oversight over funded activities' objectives and policy matters; transparency and accountability in decision-making; and country ownership; and
- (c) Strengthening the focus on country ownership in the context of modifications to funded activities.

50. The Secretariat will take into account any additional guidance received from the Board at B.45 in determining the appropriate next steps, including with respect to the development of any proposal for revisions to the Policy.

51. Accordingly, the Secretariat recommends that the Board adopt the decision set out in annex I.

52. Should the Board consider that the Enhanced Review findings do not warrant consideration of a revised Policy, the Secretariat could still promote process and operational improvements based on stakeholder feedback and lessons learned. These improvements could include, for example, detailed operational procedures, guidance, and tools designed to address key concerns and strengthen the overall implementation of the Policy. Such measures would not preclude future consideration of amendments to the Policy text itself, as part of another review of the Policy or other relevant policy processes.

## 3.2 Consultation and links to other initiatives

53. The Secretariat is currently developing a proposal for an update to the Fund's country ownership approach. This work is expected to include mechanisms to enhance engagement among all relevant stakeholders throughout the GCF business cycle, including by strengthening consultations between AEs and NDAs, as well as potential improvements to the No-Objection Procedure.

54. In this context, as shared with the Board at B.44, the Secretariat is developing operational guidance on the consultation requirements under the Policy pursuant to the mandate under decision B.33/09. This guidance is expected to be submitted to the Board at a later meeting, with a particular focus on addressing the findings set out in Section 2.2 above.

55. With regard to the findings outlined in Section 2.1.3 above, the Secretariat expects to make greater use of the mechanisms available under the Updated Monitoring and Accountability Framework for Accredited Entities (decision B.42/13) to facilitate proactive portfolio management by AEs.

## **Annex I: Draft decision of the Board**

The Board, having considered document GCF/B.45/16 titled “Implementation review of the Policy on Restructuring and Cancellation”:

- (a) Takes note of the review of the implementation of the Policy on Restructuring and Cancellation undertaken pursuant to paragraph 36 thereof; and
- (b) Requests the Secretariat to present a revised Policy on Restructuring and Cancellation for Board consideration taking into account comments from the Board during its forty-fifth meeting and on the basis of further consultations to be held with the Board, national designated authorities, accredited entities, and active observers.

## Annex II: Details on requests submitted to the Board for consideration under the Policy since B.23

- In the period between B.23 and B.44, following adoption of the Policy at B.22, the Board approved 56 requests (see Table A), consisting of 33 requests for extensions under paragraph 9 of the Policy (59 per cent), 20 requests for approval of one or more ‘Major Changes’ under paragraph 16 of the Policy (36 per cent) and 3 requests for ‘Waivers’ under paragraph 24 of the Policy (5 per cent).
- Of the 33 extension requests, 14 of them related to extensions of deadlines for AEs to submit a certificate or legal opinion confirming that it had obtained all final internal approvals needed by it and had the capacity and authority to implement the proposed project or programme. The remaining 19 extension requests related to extensions of deadlines for the execution of the FAA for the relevant project or programme.

**Table A: Requests submitted to the Board under the Policy, by meeting and type**

Year	GCF Board Meeting	Extensions	Major Changes	Waivers	Total
2019	B.23, B.24, B.B.M-2019	1	2	0	3
2020	B.25, B.26, B.27, B.B.M-2020	5	1	1	7
2021	B.28, B.29, B.30, B.B.M-2021	3	0	0	3
2022	B.31, B.32, B.33, B.34, B.B.M-2022	8	3	2	13
2023	B.35, B.36, B.37, B.B.M-2023	4	6	0	10
2024	B.38, B.39, B.40, B.B.M-2024	4	6	0	10
2025	B.41, B.42, B.43	7	2	0	9
2026 Q1	B.44	1	0	0	1
<b>Total</b>		<b>33</b>	<b>20</b>	<b>3</b>	<b>56</b>

- With respect to ‘Major Change’ requests approved by the Board, Table B sets out the breakdown per type of request by reference to the categories of “Major Change” in paragraph 16 of the Policy. Of the 20 requests mentioned above, certain requests involved Board approval under more than one category under paragraph 16 of the Policy, resulting in the overall number of individual requests under paragraph 16 of the Policy exceeding 20.

**Table B: Breakdown per request type by reference to ‘Major Change’ categories under paragraph 16 of the Policy**

Description under the Policy	Frequency	%
<b>Paragraph 16(a):</b> Any changes that would render the project/programme inconsistent with the GCF mandate and business model	0	-
<b>Paragraph 16(b):</b> A change in the scope of the project/programme which would result in a material and adverse deviation from the intended objectives or outcomes that the AE seeks to achieve from the implementation of the relevant project/programme, in particular its climate and/or environmental outcomes as set out in the funding proposal or FAA	7	26
<b>Paragraph 16(c):</b> The assignment or transfer of all or a material part of its responsibilities to another AE	0	-



Description under the Policy	Frequency	%
<b>Paragraph 16(d):</b> A change of an executing entity that would have a material effect on the implementation of the project/programme	0	-
<b>Paragraph 16(e):</b> Any change that would have a material and adverse impact on the ability of the executing entity to operate the relevant project/programme, including a material and adverse change in the legal status of an executing entity which has a material and adverse impact on the implementation of the project/programme	1	4
<b>Paragraph 16(f):</b> Any change to the pricing of the GCF proceeds for the project/programme that deviates from the Board-approved parameters	6	22
<b>Paragraph 16(g):</b> Any material and adverse change in the pricing and financial structure of the project/programme	3	11
<b>Paragraph 16(h):</b> Any change in a project/programme that results in a change in the environmental and social safeguards category from a lower to a higher category, or changes within a category that would trigger additional safeguards standards to be applied or require additional due diligence	5	18.5
<b>Paragraph 16(i):</b> A delay in the completion of the project/programme or its major components that materially and adversely affect the achievement of the intended outcomes	0	-
<b>Paragraph 16(j):</b> Other changes such as may be expressly set out as a major change in the Approval Decision	0	-
<b>Paragraph 16(k):</b> Any other event or proposed modification that constitutes a major change in the relevant legal agreements	5	18.5
<b>Total</b>	<b>27</b>	<b>100</b>

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