



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
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Dushanbe, Tajikistan  
Provisional agenda item 18

**GCF/B.45/19/Add.01**

17 June 2026

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# Arrangements for the third replenishment of the Green Climate Fund – Addendum I: Response matrix for comments received on the draft document

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## **Summary**

The document contains responses to the Board and active observers' comments on the draft document titled, “Arrangements for the third replenishment of the Green Climate Fund”.

## I. Response matrix for Board comments received on the draft document “Arrangements for the third replenishment of the Green Climate Fund”

Comments were received, in chronological order, from:

- China
- Austria-Australia
- Finland-Switzerland
- Japan
- United Kingdom
- Germany
- Denmark, the Netherlands and Luxembourg
- Active Observers

Issue Category	Comment	BMs/Seats	Secretariat Response
<b>General feedback</b>	The GCF strictly follows the principle of CBDR-RC of the UNFCCC and the Paris Agreement, as well as the Governing Instrument for the GCF (particularly paras. 29 & 30). However, to avoid sending any misleading messages to the public and relevant stakeholders, we also underscored the importance of clarifying the main funding sources of the GCF come from the developed country Parties to the UNFCCC in the GCF-3 related documents. This means in the Arrangements for the GCF-3, it is necessary to stress and prioritize the engagements and communications with the developed country Parties. We are of the view that this is particularly important in a complex and challenging context and the document cannot weaken and shift away from this focus. The GCF	China	Thank you for your comment.

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	<p>needs to actively engage with the existing/traditional contributors to convince them that the GCF is an competitive and value-for-money multilateral climate fund that worth being allocated for more resources. We would like to stress that the overall semantics and wordings in the document should fully align with Paras. 29 &amp; 30 of the Governing Instrument for the GCF, and sincerely hope the GCF-3 will have a successful outcome.</p>		
<p><b>General feedback</b></p>	<p><b>Pledging conference.</b> Regarding the pledging conference, if the GCF aims to maximize the visibility and engage potential new donors at the highest level, convening it during COP32 would offer the optimal platform to foster broad participation and commitment.</p>	<p>China</p>	<p>Thank you for your comment. The suggestion is noted as one of the options.</p>
<p><b>General feedback</b></p>	<p><b>Strategic positioning and value proposition.</b> We support the overall framing of the document and welcome the recognition of the context in which this replenishment will take place. From the UK perspective, a successful replenishment will be one that focusses on impact, additionality and catalytic effect, as well as volume. We encourage clear articulation of how GCF-3 will strengthen complementarity and coherence with other multilateral climate funds and MDBs, to maximise system-wide impact and reduce fragmentation.</p>	<p>United Kingdom</p>	<p>Thank you for your comment. The suggestion is noted.</p>
	<p><b>The role of private finance, and mobilising</b></p>	<p>United Kingdom</p>	<p>Thank you for your comment. The suggestion is noted.</p>

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	<p><b>increased resources.</b> We support the proposed engagement by the Secretariat to mobilise increased resources while broadening and diversifying the Fund’s financing base, including prioritising exploring other sources of finance, and again consider that progress on this will be integral to a successful replenishment.</p> <p>As such, we welcome the Policy on Other Sources that will accompany the GCF-3 Policy on Contributions, and see this as a key element of the upcoming replenishment. We would like the opportunity to engage on this ahead of it being presented at the B.46 Formal Board.</p> <p>We support plans to engage with a full range of possible contributors during the replenishment consultation, and as such are pleased to see the possible list of contributors for GCF-3 at paragraph 11b. We support the inclusion of this full range of actors being included in the replenishment meetings, as in paragraph 9f.</p> <p>We encourage the Secretariat to continue to scale private finance mobilisation, including by working in innovative ways in partnership with investors and the private sector.</p>		
	<p><b>Operational effectiveness and reform.</b> Continued progress on operational reform -</p>	United Kingdom	Thank you for your comment. The suggestion is noted.

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	<p>particularly on the speed, predictability, and simplicity of processes - will be critical to underpinning a successful GCF-3 replenishment.</p> <p>Strengthening results reporting and transparency, including clearer evidence of transformational impact and improved tracking of co-financing, will be important to build confidence in GCF-3.</p>		
<p><b>General feedback</b></p>	<p>Japan proposes to include the following principle paragraphs in the draft decision/policy: (i) new contribution instruments shall preserve existing safeguards (no cross-subsidization, operational neutrality, transparency) and (ii) any revisions to prudential parameters shall be supported by analysis shared in advance and include a periodic review clause. We believe these will facilitate consensus while maintaining flexibility.</p>	<p>Japan</p>	<p>Thank you for your comment. These points will be discussed in the updated policy for contributions.</p>
	<p>Given the difficult financial situation of traditional contributors and today's geopolitical situation, securing contributions from non-traditional contributors (non-parties, private entities, philanthropic foundations) will be a key factor in securing sufficient contributions. Therefore, it is important that the policy for contributions from other sources that would be</p>		<p>Thank you for your comment. These points are well noted.</p>

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	<p>applied to contributions from non-traditional contributors sufficiently considers and adapts to the requests and constraints of non-traditional contributors. We also request that sufficient prior consultations be held to ensure the smooth adoption and application of the policy, for which the consideration by the Board is scheduled for B.46.</p>		
	<p>We would appreciate clarification on the basis for limiting participation to Board members or alternate Board members in replenishment meetings. Given the technical nature of the discussions, we request that contributor delegations be allowed to include advisors in those meetings.</p>		<p>Thank you for your comment. The replenishment is open to all potential contributors where participation is not limited.</p>
	<p>While consultations are intended to be held in a hybrid format (online and in person), if they are conducted fully online, we can participate only if the sessions are scheduled at times that are reasonable for Japan's time zone; otherwise, participation may be difficult.</p>		<p>Thank you for your comment. This is noted in our planning and preparation.</p>
<b>General feedback</b>	<p>Policy finalization: It is crucial to finalize the two policies for contributions (updated policy for contributions and policy for contributions from other sources) as planned by B.47. These documents are essential prerequisite for informed replenishment decisions.</p>	<p>Finland / Hungary / Lichtenstein/ Monaco/ Switzerland</p>	<p>Thank you for your comment. Thank you. Your comment is noted.</p>
	<p>Strategic approach and meeting format: Meetings venue should not be opportunistic –</p>		<p>Thank you for your comment. This is noted.</p>

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	<p>depending on the hosts – but be strategic. We would appreciate to understand the proposed structure, specific objective and content of the replenishment meetings, in order to assess whether in-person participation would be fully justified. We consider two replenishment meetings enough in addition to the pledging conference. To minimize travel costs and facilitate the engagement of potential new donors, replenishment meetings (excluding the pledging conference) should be held online or, at a minimum, back-to-back with a major external event (e.g. COP31) rather than a GCF Board meeting to be able to attract potential new donors. Virtual participation should always be an option</p>		
	<p>Donor engagement strategy: Additionally, targeted meetings should be organized for potential new donors. In order to keep existing and attract new donors, emphasis should be paid to demonstrating the results and impact of GCF as well as its future potential. GCF's niche and comparative advantage in the climate architecture needs to be shown, as well as how it aims to maximize coherence, complementarity and cooperation with other funds and initiatives.</p>		
<b>General feedback</b>	<p>We thank the Secretariat for the Arrangements for the third replenishment and for the opportunity to comment. We welcome the</p>	Germany	Thank you for your comment. The suggestion is noted.

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	<p>document and support launching the GCF-3 process at B.45. As a long-standing and committed partner, Germany attaches great importance to a successful replenishment. We share the Secretariat's reading of the context – a markedly more constrained and competitive environment – and believe this makes it all the more important to approach GCF-3 not as a continuation of past cycles, but as an opportunity to position the GCF as the leading global instrument for climate finance.</p>		
	<p>We strongly support the emphasis on broadening and diversifying the GCF's financing base. In our view, the success of GCF-3 should be measured not by the volume of traditional donor contributions alone, but by the GCF's ability to mobilise a wider range of resources and to deepen its catalytic role. We therefore encourage ambitious and sustained engagement with new sovereign contributors, subnational actors, and private and philanthropic sources. We would welcome a new definition of what a successful replenishment will look like.</p>	<p>Germany</p>	<p>Thank you for your comment. The suggestion is noted.</p>
	<p>On the financial components, we welcome the flexibility to expand contribution types and the readiness to revisit prudential parameters, including the aggregate debt ceiling, individual loan caps and loan cushions. Adjustments here can enable blended finance and larger</p>	<p>Germany</p>	<p>Thank you for your comment. The suggestion is noted.</p>

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	individual contributions, and we support exploring them constructively, while preserving robust safeguards, sound financial risk management and the Fund's overall financial sustainability		
	Germany sees the GCF-3 process and USP-3 as closely interlinked, with the USP-3 providing the substantive foundation for the replenishment. We would welcome the USP-3 reflecting an ambitious approach to private sector mobilisation as a central pillar of the GCF's mandate, the strategic use of financial instruments to leverage private investment, a focus on economic transformation and local value creation, and attention to efficiency and to stronger complementarity among the multilateral climate funds. We support the indicative timeline and the inclusive design of the process, and concluding both contributions policies by no later than B.47.	Germany	Thank you for your comment. The suggestion is noted.
<b>I. Background</b> [Para 4]	<b>Ensure a credible and realistic replenishment ambition.</b> Given the challenging fiscal and geopolitical environment described in paragraph 4, the replenishment process should be guided by a realistic assessment of contributors' capacity and willingness to provide resources, while remaining sufficiently ambitious to respond to growing climate finance needs.	Austria- Australia	The points are noted and will be considered during the replenishment process and meetings.

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	<p>The Secretariat should present a range of clearly justified replenishment scenarios, linked to strategic objectives, expected programming volumes, pipeline demand, implementation capacity and anticipated results. These scenarios should clearly articulate the implications of different replenishment outcomes for the Fund’s ability to deliver on its mandate.</p> <p>The replenishment target should be supported by a compelling and evidence-based resource needs assessment, while recognising that the credibility of the replenishment process will depend not only on the headline replenishment figure but also on the quality, predictability and usability of contributions received.</p>		
<p><b>I. Background</b> [Para 5]</p>	<p><b>Strengthen emphasis on delivery and results in the replenishment narrative.</b> While the paper emphasises outreach and engagement (para 5), the replenishment narrative should place greater weight on delivery performance.</p> <p>Replenishment materials should present a clear picture of the Fund’s track record, including programming and disbursement performance, portfolio quality, mobilisation of co-finance, adaptation and mitigation results,</p>		<p>Thank you for your comment. The points are noted.</p> <p>The Secretariat believes that the impact and performance of GCF during GCF-2 will certainly be part of the replenishment engagement through USP-3 and IEU’s performance review.</p>

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	<p>and progress on access for vulnerable countries and communities.</p> <p>Recipient country perspectives and evidence of transformational impact should form a central part of the replenishment narrative and consultation process.</p>		
<p><b>2.2 Procedures for the replenishment process</b> [para. 9(c) page 3]</p>	<p>Replace “including emerging contributors, subnational authorities, private sector actors, and philanthropic organisations” with “including existing/traditional contributors and potential contributors such as national and subnational authorities, private sector actors, and philanthropic organisations”</p>	<p>China</p>	<p>Thank you for your comment. Replaced with “including existing contributors and potential contributors such as national and subnational authorities, private sector actors, and philanthropic organizations.”</p>
<p><b>2.2 Procedures for the replenishment process</b> [paras 6–7; para 9(b), (f)].</p>	<p><b>Strengthen alignment between replenishment and strategic direction.</b> Replenishment consultations should be grounded in a clear and evidence-based articulation of the GCF’s forward strategy, including early inputs from the Third Performance Review and other evaluative work (para 9(b); annex II, para 3(a)).</p> <p>The replenishment process should be closely aligned with the development of the Strategic Plan 2028–2031 to ensure contributors have sufficient clarity regarding the Fund’s priorities, comparative advantage, expected results and resource allocation approach over</p>	<p>Austria-Australia</p>	<p>Thank you for your comment. The suggestion on investment case is noted.</p>

Issue Category	Comment	BMs/Seats	Secretariat Response
	<p>the replenishment period.</p> <p>The Secretariat should provide a concise investment case for GCF-3, demonstrating how lessons from GCF-1 and GCF-2, performance evidence and portfolio experience are informing future strategic choices.</p>		
<p><b>III. Potential contributors and other stakeholders</b></p> <p>[para. 11(a) page 4]</p>	<p>replace “Public finance” with “public finance from developed country Parties to the UNFCCC”.</p>		<p>Thank you for your comment. Replaced with “Financial inputs from developed country Parties to the Convention”. (from GI para 29)</p>
<p><b>III. Potential contributors and other stakeholders</b></p> <p>[the headline and contents]</p>	<p>replace “potential contributors and other stakeholders” with “existing/traditional contributors and potential contributors , and the sub-paragraphs under this section should be divided accordingly and fully in line with the groupings in the Paras. 29 &amp; 30 of the Governing Instrument for the GCF. For example, the groupings should be replaced with (a) Existing/traditional contributors (developed country Parties to the UNFCCC); and (b) Potential/non-traditional contributors (developing country Parties to the UNFCCC, other public-sector entities, private entities, and philanthropic foundations)</p>	<p>China</p>	<p>Thank you for your comment.</p> <ol style="list-style-type: none"> <li>1. As the headline is used only to highlight the overall potential group of contributors and other stakeholders while the categorization is done in the subsequent paras, recommend not to change.</li> <li>2. The Secretariat categorized this section by contributors identified under Updated Policy for Contributions and the upcoming Policy for Contributions from Other sources. From this point of view, the text is revised for clarity.</li> </ol>
<p><b>Annex III: Approach to the policy for</b></p>	<p>replace “The Policy will focus its application to contributions from Parties and Non-Parties to the UNFCCC, as well as investment income</p>	<p>China</p>	<p>Thank you for your comment. This is consistent with updated policy for contributions for GCF-2 and recommend keeping the language.</p>

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<p><b>contributions for the third replenishment</b></p> <p><b>II. Key features</b></p> <p>[Para. 3 in Page 9]</p>	<p>earned on the balance of the GCF Trust Fund, reflows, and carry-over funds” with “The Policy will focus its application to contributions from developed country Parties to the UNFCCC, as well as financial inputs from a variety of other sources”.</p>		
<p><b>Pledge timing</b></p>	<p>In terms of the timing of the Pledging Conference, considering it is a high-level event, we suggest it to be held back-to-back with the Leaders Summit during the COP32. And we are also looking forward to see the safeguards to protect the Fund’s operations as mentioned in the document at an early stage.</p>	<p>China</p>	<p>Thank you for your comment. The suggestion is noted as one of the options.</p>
	<p><b>Maintain clarity on the Fund’s core financial model.</b> We support the proposed evolution of the policy for contributions, including expanded instruments such as contributor guarantees (annex III, paras 4–5).</p> <p>These reforms should complement the Fund’s core role in delivering predictable and concessional finance, particularly for SIDS and LDCs, where grant-based support remains critical to access and impact</p> <p>Any expansion of contribution modalities should be accompanied by clear accounting, risk management and transparency arrangements to ensure comparability, preserve contributor confidence and maintain</p>	<p>Austria-Australia</p>	<p>Thank you for your comment. The suggestion is noted.</p>

Issue Category	Comment	BMs/Seats	Secretariat Response
	the integrity of the replenishment outcome.		
	<p><b>Strengthen the replenishment process and conversion of pledges into resources.</b> A successful replenishment should be measured not only by pledges announced at the pledging conference, but also by the timely conversion of pledges into signed contribution agreements and available commitment authority.</p> <p>The replenishment process should include clear milestones and regular reporting on pledge conversion, contribution agreement finalisation and contribution encashment following the pledging conference.</p> <p>Contributors would benefit from early clarity regarding contribution agreements, financial procedures, exchange rate arrangements and legal requirements to facilitate timely completion of contribution processes at the national level. The Secretariat and Trustee should engage early with contributors to identify and address potential legal, budgetary or procedural barriers that could delay contribution effectiveness.</p>	Austria-Australia	Thank you for your comment. The points are noted, and they will be considered during the discussions on the updated policy for contributions.
	<p><b>Promote transparency and continuous learning throughout the process.</b> Consultation materials should be circulated sufficiently in advance of meetings and include clear information on key policy, financial and</p>	Austria-Australia	Thank you for your comment. The points are well noted and will be part of the discussions during the Board retreats and the USP-3 process.

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	<p>strategic issues under discussion.</p> <p>The Secretariat should provide regular updates to contributors and the Board on the evolution of replenishment scenarios, stakeholder engagement efforts and emerging risks to the replenishment process.</p> <p>Lessons from previous GCF replenishments and from replenishment processes of comparable multilateral funds should be systematically reflected in the design and implementation of GCF-3.</p>		
	<p><b>Preserve broad ownership and inclusiveness.</b> We support the proposed inclusive participation arrangements and efforts to broaden the contributor base, including engagement with potential new sovereign contributors and other eligible sources of finance.</p> <p>At the same time, the replenishment process should preserve the intergovernmental character of the Fund and ensure that engagement with non-traditional contributors is undertaken within a transparent framework that safeguards the Fund’s mandate, governance arrangements and decision-making independence.</p>	<p>Austria- Australia</p>	<p>Thank you for your comment. The points are well noted.</p>

## II. Response matrix for Active Observers received on the draft document “Arrangements for the third replenishment of the Green Climate Fund”

Issue Category	Comment	Secretariat Response
<p><b>General feedback</b></p>	<p>The quality of provided climate finance, financial outflows, to recipient countries is dependent on the quality of financial inputs for the third replenishment (GCF-3). These draft arrangements in the background justification and in particular in Annex III on the approach for the contribution policy for GCF-3 make it very clear that the expectation for financial inputs is fundamentally shifting in ways both unprecedented and in terms of this document, unmerited. These shifts include that a much larger share than previously will be provided in the form of loans or capital inputs (to be repayable), new resources (philanthropic, sovereign wealth, private sector) will play a larger role, as well as some financial “engineering” such as relying on callable capital (not paid in, but potentially to be requested as the MDBs do).</p> <p>Many of the provisions outlined and suggested in Annex III threaten the GCF as a fund that operationalizes common but differentiated responsibilities and equity. This shifting composition of financial contributions will have clear impacts on how much the GCF during the GCF-3 implementation period (2028-2031) can allocate as grants. Indeed, these proposed changes could, for example, also increase the use of “repayable grants” as increasingly there would be reliance on reflows to enable the GCF’s continued funding.</p> <p>Furthermore, opening up the GCF to ‘contributor guarantees’ has potentially significant implications for the structure of the Fund. It is difficult to conceive of how “contributor guarantees” would operate in the absence of significant changes in the basic function of the GCF, such that it would seek a credit rating and would look to raise finance</p>	<p>Thank you for your comments and observations.</p> <p>The Secretariat notes the concerns raised regarding the potential implications of the draft arrangements, including the proposals outlined in Annex III relating to the contribution policy for GCF-3, and the possible impacts on the Fund’s financing model, resource mobilization approach, and future allocation capacity.</p> <p>The Secretariat also takes note of the views expressed regarding the role of different contribution instruments, the balance between grant and non-grant resources, and the potential implications of mechanisms such as contributor guarantees for the Fund’s structure and operations.</p>

Issue Category	Comment	Secretariat Response
	<p>through issuance of bonds on capital markets. These changes would make the GCF more of a bank than a fund – indeed, contributor guarantees (callable capital) currently only exist as contributions to Multilateral Development Banks, with no climate or environment fund allowing for this type of contribution.</p> <p>Ultimately, some of these provisions need full consideration not only by the Board, but the Parties of the UNFCCC, as the GCF serves as the operating entity of the Financial Mechanism of the UNFCCC and serves in the same capacity for the implementation of the Paris Agreement. The mandate for MDBs to receive callable capital is generally written into MDBs’ founding documentation. Receiving callable capital is effectively changing the GCF’s mandate and thus should require an explicit change to its Governing Instrument, which should be guided by an explicit COP/CMA decision rather than enacted as a technical detail in a paper on replenishment.</p> <p>We fundamentally object to the broadening of this document on arrangements for replenishment to cover issues that should only be covered under the policy for contributors or indeed, considered by the Parties to the UNFCCC and Paris Agreement. It is highly inappropriate to simply drop this possibility into the procedural paper on the replenishment process without any detailing of legal considerations or any mention of a serious process for reflection. Annex III, the Approach to the Policy for Contributions, should not have any mention of types of contributions, and very specifically cannot and should not feature “contributor guarantees” as a key feature, thus prejudging the outcome of that policymaking process. It is possible Annex III should be removed entirely from this decision suite and instead be circulated for Board consultation as what it truly is - an early draft of the policy for contributions to be presented at a</p>	

Issue Category	Comment	Secretariat Response
	<p>future Board meeting (B.46).</p> <p>At the very least, the background, Annex II, and Annex III, should be stripped of any content that prejudices the policy for contributions, or may require governance changes. The background and Annex II must instead remain focused on the process for replenishment. Annex III, the approach to the policy for contributions for the third replenishment, must remain a methodological approach paper, not an early draft of the Secretariat’s ideas for the policy for contributions and policy for contributions from other sources.</p>	
<p><b>General feedback</b></p>	<p>While the background discussion describes the situation of reduced financial resources likely to be made by major contributor countries correctly, the background notes misses several important references that provide a necessary contextualization and should be added to provide the correct picture of the situation of the GCF as it starts its GCF-3 replenishment process:</p> <ul style="list-style-type: none"> <li>• the role of the GCF as the largest multilateral climate fund in implementing the mandates of the Paris Agreement, including the new round of NDCs with efforts to keep global warming at 1.5 degrees;</li> <li>• the related obligations of developed countries to provide the core of financing to the GCF (as highlighted in para. 29 of the Governing Instrument: “The Fund will receive financial inputs from developed country Parties to the Convention;”);</li> <li>• the commitment made by Parties under the NCQG para. 16 to triple financial outflows from the UNFCCC funds from 2022 levels by 2030;</li> <li>• the climate finance needs identified by developing countries based on the latest Needs Determination Report, which estimates that at least \$5.8-\$5.9 trillion by 2030 is needed to implement developing countries’ climate actions;</li> </ul> <p>the International Court of Justice advisory opinion affirming the</p>	<p>Thank you for your comment. The points are well noted.</p>

Issue Category	Comment	Secretariat Response
	<p>provision of climate finance form part of the broader international legal framework governing States’ responses to the climate crisis, reinforces the expectation that developed countries shall provide support to developing countries as part of their legal obligations and in accordance with the principle of equity and CBDR;</p> <ul style="list-style-type: none"> <li>•an acknowledgement of the Fund’s impact and value added, with particular attention to its network of direct access partners, scale and potential of funded activities, large readiness programme and its ties to UNFCCC processes, results achieved, operational maturity and strong standards and safeguards, including on transparency and rights-based support and implementation</li> </ul> <p>The framing of a “competitive environment” (para. 4) also overlooks the unmistakable role the Green Climate Fund plays within climate finance architecture; the GCF should not have to be sold as an idea to contributors among other competing ideas, particularly when the mandate for its increase in size has been so recently affirmed by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement in 2024. Paragraph 16 of the new collective quantified goal not only decides that “a significant increase of public resources should be provided through the operating entities of the Financial Mechanism”, of which the GCF remains the largest and therefore is particularly suited for scaling, but that annual outflows should be “at least triple” by 2030. While critical context, as noted above, this information is also pivotal to the GCF’s approach to Parties, as part of maintaining their commitments to a multilateral process in which they are still Party. Likewise, the legal obligation of developed countries to provide climate finance under Article 9.1 of the Paris Agreement should not be treated as discretionary, but rather as a commitment that must be honored through scaled-up and</p>	

Issue Category	Comment	Secretariat Response
	predictable contributions to the GCF.	
<b>II. Process for the replenishment</b>	On para. 8 on the role of the Secretariat and “targeted outreach and tailored approaches to different groups”, it has to be clear that tailoring the approach to different stakeholder groups should not mean tailoring promises and commitments. Instead, the underlying core principles and premises of the GCF’s operation as a multilateral fund that is part of the financial mechanism of the UNFCCC and Paris Agreement have to be defended and clearly elaborated. This is not a private sector fund, shifting its rules of operation, even implicitly, to accommodate private sector, philanthropic contributions or sovereign wealth funds.	Thank you for your comment. The points are well noted.
<b>II. Process for the replenishment</b>	On para. 9(b), while the consultation meetings certainly can discuss strategic matters of GCF-3, it also has to be made very clear that the decision making on strategic matters of the Fund, such as to be elaborated under the USP-3, rests with the Board, and not with potential contributors during a contribution meeting. As such, the strategic priorities reflect consensus and deliberations between a GCF Board with equal representation between developed and developing countries, not contributor priorities, and that for example earmarking of financial contributions, which in previous replenishment rounds was clearly not allowed under the policy of contributions, has no room in GCF-3 either. Additionally, Board decision-making is transparent and webcast.	Thank you for your comment. The points are well noted.
	On para. 9(d), it has to be made clear that any update to the policy for contributions for GCF-3, as well as a new policy for contributions from other sources will not merit any changes to: <ul style="list-style-type: none"> <li>•The exclusion/prohibition of earmarking of financial inputs under GCF-3</li> <li>•The governing structure of decision-making of the GCF - that is, no</li> </ul>	Thank you for your comment. This will be discussed in the relevant Board meetings and consultation meetings regarding the policy for contributions and the policy for contributions from other sources.

Issue Category	Comment	Secretariat Response
	<p>indication or promise of additional Board seats, establishment of “funders’ advisory panels” that bypass and undermine existing governance, etc.</p>	
	<p>On para. 9(f), it is important that as in previous replenishment rounds, the active observers are invited and supported to participate and contribute to the replenishment meetings; for example, the CSO active observers were allowed to speak/provide an intervention at previous replenishment meetings for GCF-1 and GCF-2.</p> <p>Furthermore, on para. 9(f), We find the inclusion of representatives from the CIFs in the replenishment meetings inappropriate given the CIFs have no UNFCCC linkage. The NCQG para.16 gives a clear mandate regarding the scaling up of finance delivery through UNFCCC funds, which do not include the CIFs, who also do not face similar replenishment rounds or resource mobilization efforts as the UNFCCC funds. Their participation is thus not warranted here. Their inclusion, given their way of working through MDBs, could furthermore bias the GCF toward MDB priorities and toward ways of working not in keeping with the Governing Instrument and its key operational modality of direct access.</p>	<p>Thank you for your comment. The point is noted, and there are no restrictions on interventions.</p>
	<p>Para. 10 should be rewritten to be clearer regarding the role of a “replenishment chairperson” given there was a “high level champion” in the past. Also, the “chairperson” should be confirmed/appointed by the Board, not by the Secretariat, as the background of the person will influence the way (s)/he/they approach the outreach to potential contributors and the “selling” of the GCF.</p>	<p>As part of the arrangement for the replenishment process, it did not appoint a high-level champion in the past. The chairperson, if needed, will be selected in consultation with the Board through the Co-Chairs.</p>
	<p>In para. 11(a), in line with paragraph 29 of the Governing Instrument, a clear differentiation must be made in reference to public sector contributors from developed countries and developing countries. The paragraph heading and wording should be clearly restructured to</p>	<p>Thank you for your comment. The points are noted and revised for clarity.</p>

Issue Category	Comment	Secretariat Response
	<p>point out the obligation of developed countries first and foremost, while developing countries as contributors to the UNFCCC should be clearly understood to be complementary at best. Indeed, there is a pressing need to delineate a replenishment strategy for developed countries' public finance contributions separate from the mobilization of other sources.</p>	
<p><b>III. Potential contributors and other stakeholders</b></p>	<p>Para. 11(b) referencing paragraph 30 of the Governing Instrument regarding alternative sources is missing references to alternative sources that during the Transitional Committee for the GCF were clearly the context for the reference to alternative sources, namely international levies or taxes or Special Drawing Rights (SDRs); curiously, no mention of these potential alternative sources is included here. Neither capital markets nor carbon markets are appropriate or intended sources of financial inputs for the GCF.</p>	<p>Thank you for your comment. This is noted. GI's paragraph 30 covers all potential financial inputs from a variety of other sources including alternative sources.</p>
	<p>In particular, carbon market financing cannot be considered climate finance. Carbon markets purport to offset emissions with land- or technological carbon removals. Absorbing already-released carbon dioxide is not equivalent to preventing emissions from burning fossil fuels that have stored carbon for millenia. Nor does the supposed removal address the cumulative impacts of GHGs in the atmosphere, some of which cannot be undone. The GCF exists to "limit or reduce their greenhouse gas emissions" per its Governing Instrument, and the money entering carbon markets actually enables continued greenhouse gas emissions. There is not a mitigation case to be made given the structure of carbon credits.</p> <p>The purchasers of carbon credits are the polluters, who are benefitting from claiming the credits. They continue polluting while shifting their mitigation burdens on to developing countries. This flow of funds is out of step with the UNFCCC's framework of climate</p>	<p>Thank you for your comment. These points are noted and will be considered during the discussions on the policy for contributions from other sources.</p>

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	<p>finance and the legal obligation of developed countries to provide climate finance to developing countries.</p> <p>Furthermore, the history of human rights abuses, including violations of Indigenous Peoples rights, associated with carbon markets calls into deep question the applicability of the GCF's environmental and social safeguards, Indigenous Peoples' Policy, and access to redress. Carbon markets are not designed to work with the GCF's structure and cannot provide basic human rights protections, much less the "do good" aspiration.</p>	
	<p>Indeed, there should be no mention of any potential alternative sources as that may prejudice the policy for contributions from other sources, which is a separate document to be drafted and brought to the Board for consideration. This background document should simply not include the list, "(e.g., philanthropic foundations, capital market, carbon markets, etc.)" Confusing substantive issues with the process issues of the replenishment is poor policymaking and will hamstring the Board in its future policymaking.</p>	<p>Thank you for your comment. These points are noted.</p>
<b>Annex I</b>	<p>Annex I: Draft decision of the Board Paragraph (f) should include a clear reference to the replenishment meetings being open to the participation of active observers</p>	<p>Thank you for your comment. These points are noted.</p>
<b>Annex II</b>	<p>Annex II With respect to para. 2 on participation, we welcome in sub-para. (b) the clear commitment to include the active observers; however, we reject the suggestion to include representatives from the CIFs in the replenishment meetings, as mentioned above. The NCQC para.16 gives a clear mandate regarding the scaling up of finance delivery through UNFCCC funds, which do not include the CIFs, who also do</p>	<p>Thank you for your comment. As part of the complementarity and coherence of multilateral climate funds, CIFs will be invited to participate. CIFs were also part of the GEF replenishment as well.</p>

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	not face similar replenishment rounds or resource mobilization efforts as the UNFCCC funds. Their participation is thus not warranted here.	
	On para. 2(c), the “chairperson” should be confirmed/appointed by the Board, not by the Secretariat, as the background of the person will influence the way (s)/he/they approach the outreach to potential contributors and the “selling” of the GCF.	Thank you for your comment. This is noted. If needed, the selection will be conducted in consultation with the Board through the Co-Chairs.
	On para. 2(d), the reference to organizing the replenishment meeting potentially in “executive sessions” is neither clear nor appropriate, as this would undermine the commitment to and mandate of replenishment meetings to be “conducted in an open, transparent, and inclusive manner” (B.44/17) and should not preclude the participation throughout of active observers.	Thank you for your comment. This point is noted and deleted.
<b>Annex III</b>	<p>Annex III: Approach to the policy for contributions for the third replenishment</p> <p>This annexed paper is not an approach paper but a prefiguration to the policy for contributions itself, and its inclusion as written as part of this procedural replenishment decision seems designed to prejudge the outcome of the Board’s consideration of the approach to the policy for contributions. Either this document should be removed from this decision package, even for the purposes of taking note, and instead circulated as a first consultation piece regarding the policy for contributions, or it should be rewritten as a methodological approach paper.</p> <p>The reference in para. 2 to “introducing targeted updates to reflect the Fund’s evolving financial architecture” is not clear – what evolving financial architecture for the Fund is being referenced? We are not aware of any Board decision taken that would warrant such a statement, as multi-year budgeting is not a change in architecture. If</p>	Thank you for your comment. These points are noted. Policy for contributions for the third replenishment will be discussed during the B.45 informal session and in the subsequent consultation meeting(s) and Board meeting(s).

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	<p>such a statement is to be factual, it must be grounded in an actual Board decision. Unfortunately, this paragraph in particular seems to prejudge the outcome of what is still an open-ended Board discussion and decision on the nature and scope of any potential update to the policy for contributions and the policy for contributions from other sources. These items must be discussed and decided upon separately, without implicit greenlighting of certain directions within what should be a procedural document.</p> <p>Para. 4 and 5 similarly prejudge a Board discussion and decision by presenting “contributor guarantees as a top priority” of any changes for the policy for contributions. The Board will decide on priorities for the policy of contributions that may or may not include contributor guarantees for callable commitments based on triggers. The way the contributor guarantees are described here as a way to expand the GCF’s risk-bearing capacity seem to prejudge the type of financial instruments (“credit enhancements”) for which those callable commitments will be used, namely blended finance, equity, guarantees, likely overly geared towards the private sector. It is very clear that the financial headroom sought would be not prioritized for the extension of (non-repayable) grants to recipient countries. This could have a significant impact on the ability of the GCF during GCF-3 to fulfill its mandated allocation commitment for balance between mitigation and adaptation; for example, it is also unclear how the grant equivalency of “callable contributions” would be calculated and considered. As acknowledged under paragraph 5(b), accounting treatments for such contributor guarantees—for example in considering the overall outcome of GCF-3 replenishment efforts—is also not clear, and likely will lead to an inflated accounting of resources available, for which the Fund Board however will not have commitment authority (as it is not received in the GCF trust fund</p>	

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	<p>according to a clear payment schedule).</p> <p>As mentioned in our introductory comments, furthermore, the concept of contributor guarantees cannot be a “key feature” of a new policy for contributions without requiring fundamental changes to the way the GCF operates, changes that merit consideration even beyond Board decision-making, given the Governing Instrument of the Fund, and thus require Party deliberation:</p> <ul style="list-style-type: none"> <li>• The institutions that currently accept callable capital (and that are currently experimenting with portfolio guarantees) are all multilateral development banks (IBRD, ABD, AfDB, etc.). The GCF is not a bank nor was it designed to transition into one. The GCF does not have the conditions in place to become a bank. Putting those conditions in place would entail a fundamental change in how the GCF functions, and thus such an implication should not be dropped in passing into a paper on formal replenishment procedures.</li> <li>• Callable capital contributions to MDBs such as IBRD and ADB are written into the founding treaties/charters of those institutions. Similarly, the appropriate channel for such a fundamental change in the nature of the GCF would not be a Board decision but a COP and CMA decision. This approach would be procedurally correct since the implications change the nature of the institution created by the UNFCCC and under its guidance from a Fund, requiring the authority of the body that founded the GCF in the first place.</li> </ul> <p>To rewrite this paper as a methodological paper, the entire idea of contributor guarantees would need to be framed as an area of investigation, not a done deal as it is currently (“In addition, the Policy will introduce flexibility to expand the range of contribution types, with contributor guarantees as a top priority.”) Such an investigation would have to include considerations of the legal ramifications and the processes and sequence by which such a fundamental change to</p>	

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	<p>the GCF would have to be examined, endorsed, and operationalized and by which decision-making bodies (the Board, the COP, the CMA). The “potential updates to financial parameters” described in para. 6 clearly point to a significant deterioration of the quality of financial inputs in the GCF as envisioned by the secretariat under GCF-3. Raising the aggregate debt-ceiling (para. 6(b)(i)) means the expectation is that more loan contributions (so far the exception) will be received and loansmaking inputs in the form of loans might even become the rule, especially in conjunction with para. 6(b)(ii) allowing individual country contributors to provide a higher share of their inputs as loans. Para. 6(c)(iii) makes it clear that the GCF will bear a higher risk (through a reduced loan cushion) for ensuring the loan input can be repaid – the latter actually reduces the GCF’s capacity for “risk-bearing” contrary to the justification to allow for “contributor guarantees” (as elaborated under para. 5), and reduces significantly the GCF’s ability to provide finance as (non-reimbursable) grants.</p> <p>We are disturbed by the Secretariat’s claim in para.8 under “commitment authority” that “the Secretariat has evolved from its traditional cash-based commitment authority model to an approach that will optimize the Fund’s available capital and liquidity, consistent with the Fund’s Board-approved risk framework”. We are not aware of any Board decision that would have mandated and approved a change in the commitment authority model of the GCF. This is clearly dependent on a Board decision, and not on the wish of the Secretariat to change the model. So far possible changes were only discussed in a Board informal session, but without the Board taking a decision on such an approach. The statement is prejudging the Board’s decision on the matter.</p> <p>Furthermore, contrary to the statement, “Because this methodology is</p>	

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	<p>not time-bound to any specific replenishment period, there is not need to address this in the Policy”, if the Board wishes that a new commitment authority approach should apply to the new policy for contributions for GCF-3, it should take such a decision first to be referenced as the relevant framework for the updated policy for contributions; thus this requires Board decision-making in a sequenced manner on first an updated approach to the commitment authority and then an updated policy for contributions for GCF-3.</p>	
<p><b>Annex V</b></p>	<p>Annex V: Key events and holidays in 2026 The table of relevant events is missing the Tenth Board meeting of the Fund for responding to Loss and Damage in the Philippines (place TBD) from October 7-9, 2026.</p>	<p>Thank you for your comment. This is noted and added.</p>

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