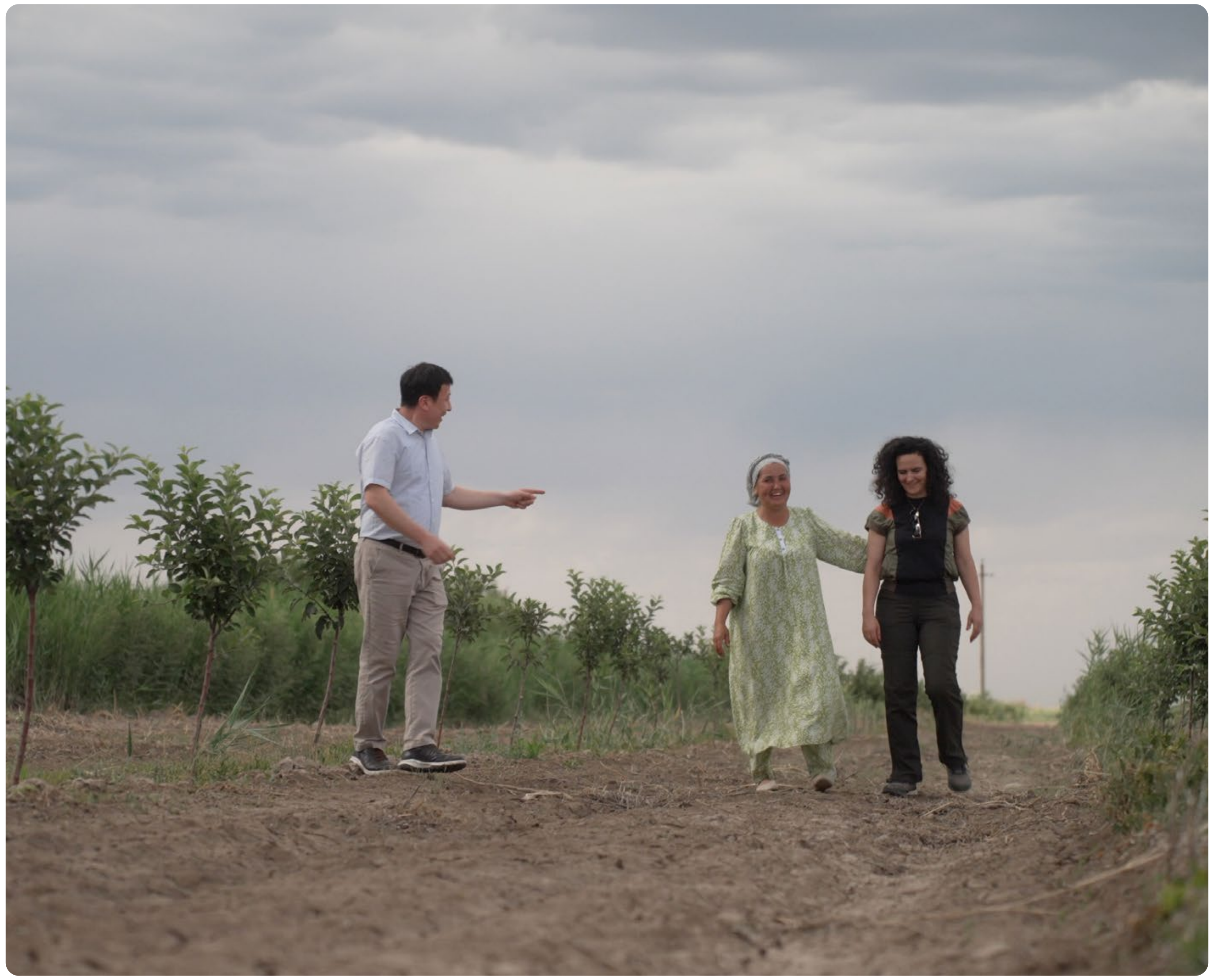
Letter from the Executive Director

We are living through a profound period of transition. The defining question of our time is whether our institutions can rise to meet it.

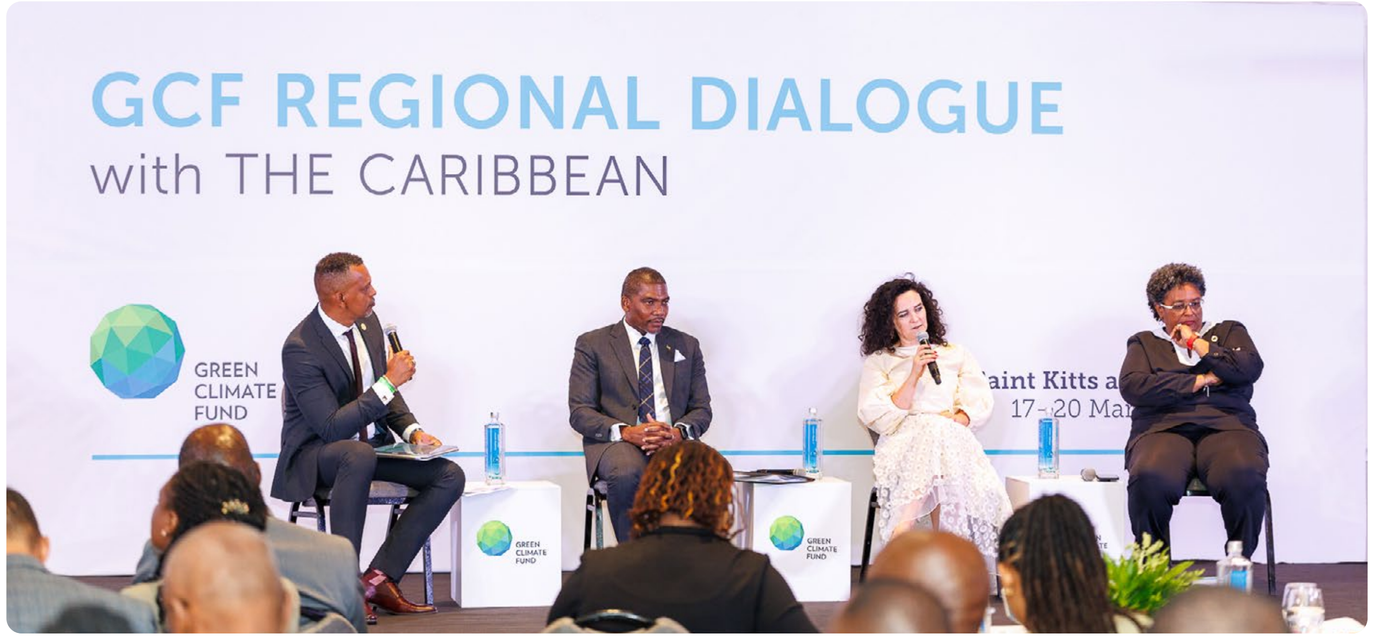
Over the past year, we have made that our purpose: to evolve the Green Climate Fund (GCF) into an institution fit for the scale, complexity, and urgency of the challenges ahead.

Around the world, people are grappling with pressures that no longer strike as one, but as wicked problems. In 2025 alone, weather-related disasters caused more than USD 200 billion in economic losses worldwide – half a billion every day. These losses are not single shocks, but an increasingly recurrent and compounding feature of the global economy.

Severe water scarcity affects roughly half of the world's population for at least part of each year, while the number of people facing acute food insecurity is now nearly triple what it was



The GCF team met with rural communities during a project visit in Karakalpakstan in May 2025. As GCF's first project in Central Asia, it increased the climate resilience of smallholder farmers vulnerable to the impacts from desertification of the Aral Sea. Photo credit: GCF/Little Big Films



GCF held several regional dialogues in 2025, enabling meaningful engagement with countries and partners such as the Caribbean Regional Dialogue, where Saint Kitts and Nevis Prime Minister Terrance Drew and Barbados Prime Minister Mia Mottley were in attendance. Photo credit: GCF

a decade ago. The challenge is not simply that risks are growing; it is that they are converging.

Three-quarters of people facing acute food insecurity now live in fragile and conflict-affected settings. Simultaneously, the ability of the most vulnerable to build resilience to these shocks is reducing. In many developing countries, climate-related losses continue to erode already limited fiscal space, whilst debt service costs now exceed official development assistance.

Over the past year, I witnessed these realities firsthand – in developing and developed countries alike. In South Sudan, I saw the climate crisis collide with humanitarian need: schools closed during an extreme heatwave; communities isolated after years of flooding; families displaced by conflict living behind flood defences. In Central Asia, I saw the result of efforts by communities facing significantly changing climate patterns to ensure food security. In the Caribbean, leaders described a cycle of stronger storms, rising seas, escalating insurance costs and mounting pressure on public finances, often before communities had recovered from the previous disaster whose impacts were still visible. What I felt was not a collection of separate crises, but a common experience felt in different places.

Nor are advanced economies shielded. In the Republic of Korea, where I live, the country's most destructive wildfire season on record burned more than 100,000 hectares in a matter of days. One season brings record wildfires; the next, a deluge. In Portugal, my home country, not only did record wildfires sweep across the largest area ever in a single fire precisely where I am from, but, months later, major winter storms cost the country billions of euros.

But there is hope: in our collective response.

A decade ago, the world was on track for 3.6°C of warming; today, that figure is closer to 2.3°C. Economic growth and emissions have begun to decouple, and the reach of early warning systems has doubled worldwide – evidence of what sustained international cooperation can achieve.

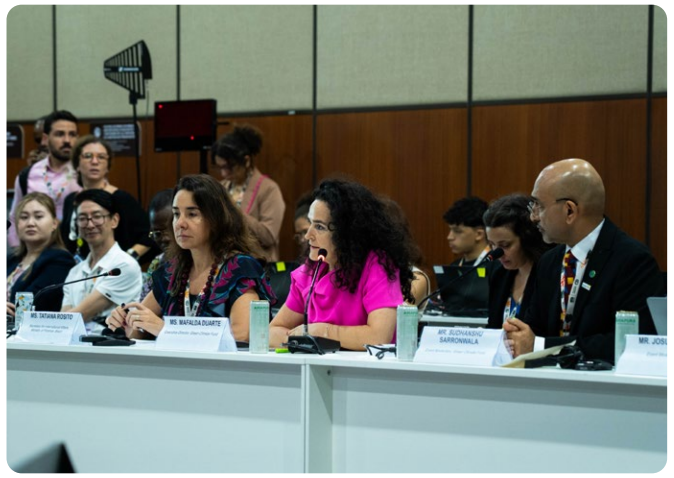
In 2025, momentum continued. Small island states helped secure a landmark International Court of Justice opinion on states' obligations to prevent climate harm, while the Draw the Line campaign mobilised tens of thousands of people across 85 countries ahead of COP30, underscoring continued global demand for climate action.

Yet progress in ambition has not been matched by progress in finance. Projected climate finance needs run into the hundreds of billions of dollars annually, while current flows remain only a fraction of that level. Nowhere is this gap starker than in adaptation, which accounts for only around five percent of international climate finance.

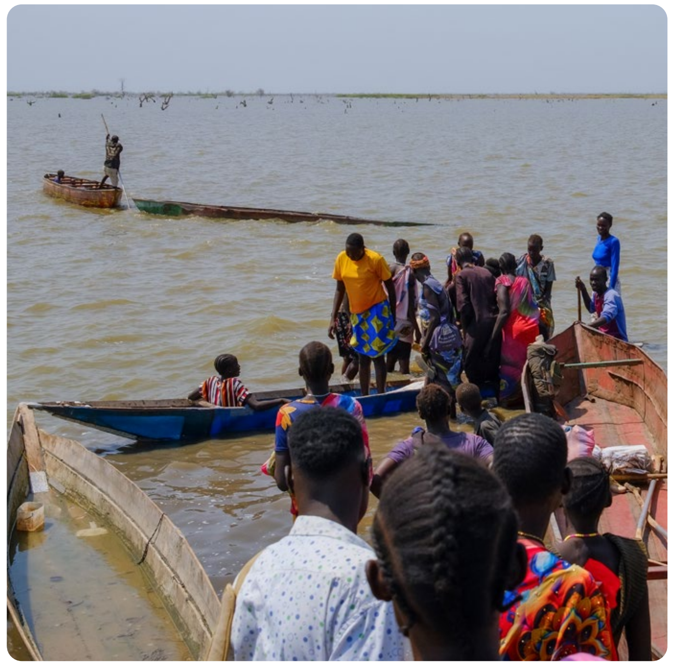
The task before us is clear: to build on institutions capable of moving finance where it is needed, at the speed and scale the moment demands. GCF was created for precisely this purpose.

In 2023, we chose to reform to deliver this finance to more people, more quickly. Last year, we advanced accreditation reform through a new nine-month service standard. We modernised the organisation by adopting key technology solutions, digitising documentation to streamline processes, and introducing new data analytics to better assess impacts.

In 2025, we saw the results of our earliest reforms. Concept note screening time fell to less than two months, whilst annual disbursements topped a billion. These improvements demonstrate that faster, more responsive climate finance can be delivered at scale.



Fourteen countries announced plans to develop country platforms with GCF's support at a high-level COP30 event co-hosted by GCF and Brazil's Ministry of Finance. Photo credit: GCF



GCF's first single-country project in South Sudan, approved in 2025, will build climate resilience in flood- and drought-prone areas of Northwestern South Sudan. Photo credit: GCF/Gabriel Boc

We also took an important step toward bringing GCF closer to the countries and communities we serve. The Board approved a regional presence anchored in Panama City, Amman, Suva, Nairobi, and Abidjan. This significant evolution for the Fund will strengthen our ability to engage with partners, understand local priorities, and deliver impact where it is needed most.

Even as reforms advanced, delivery continued at a record pace. In 2025, the Board approved USD 3.25 billion for 50 funding proposals, the strongest programming year in GCF's history. These approvals included first single-country investments in countries from Dominica to St Lucia, Mauritania and Serbia - extending GCF support to more underserved and climate-vulnerable countries.

We delivered on the promise of country platforms, supporting 17 country and regional platforms to align finance behind nationally owned priorities, move beyond fragmented project-by-project approaches to build investment pipelines capable of mobilising finance at scale. For that, I must thank the dedicated staff at GCF and their tireless efforts: the progress shown in this report belongs to them, working tirelessly with developing countries, partners, and Accredited Entities.

Why does this matter?

Because a world where more than 1 billion people are better prepared for climate impacts is a safer world. A world where 97 million hectares of forests, coastlines, rangelands and farmland are restored and managed sustainably is one with stronger food systems, more secure water supplies and greater resilience to climate shocks. A world where more than USD 19 billion of infrastructure is built to withstand a changing climate faces fewer disruptions, lower losses and less strain on public finances. And a world that avoids 3 billion tonnes of greenhouse-gas emissions creates a more stable foundation for future generations.

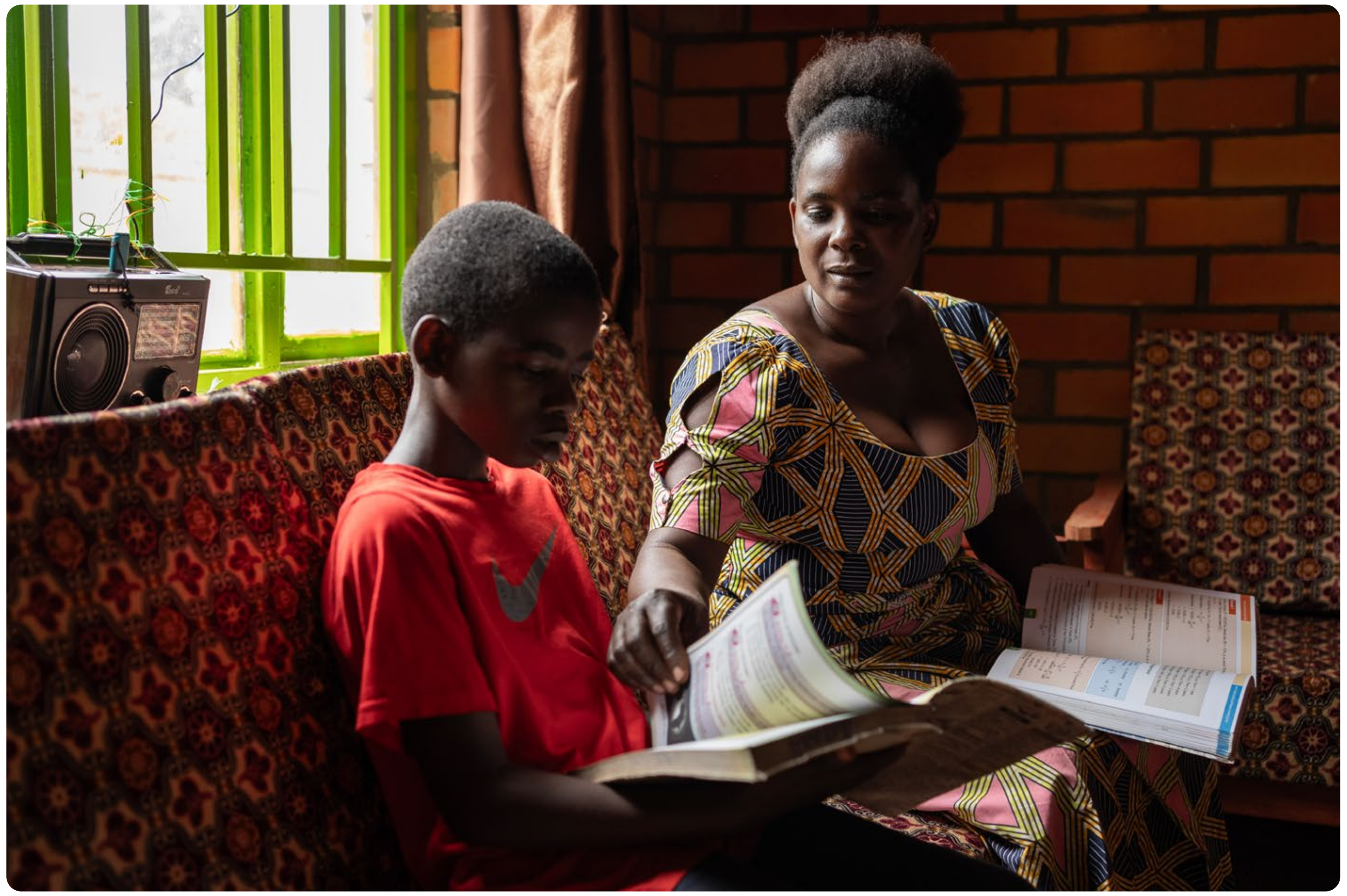
This is the world that can prepare us for the challenges ahead. This is the world that can give us confidence that we can rise to those challenges – and meet them collectively, because there is no other way.

This is why GCF is investing in a different model: one built on efficiency and effectiveness; country ownership, ambition and strategic choices; an empowered new network of national and regional institutions; of new public and private partnerships for investment; local value creation, and social inclusion.

Above all, it is built on the collective effort of countries, partners and communities working towards a common purpose.

At a time when many forces are pulling countries and people apart, that means being willing to swim against the current. It means finding strength in unity to overcome the world's challenges.

Mafalda Duarte
Executive Director



Featured in the GCF.10 impact report marking a decade of GCF operations, the Green Gicumbi project in northern Rwanda helped communities build climate resilience through housing, land restoration, and social inclusion. Olive Kabongoya helps her son with his homework in climate-resilient housing supported by the project. Photo credit: GCF/Andy Ball