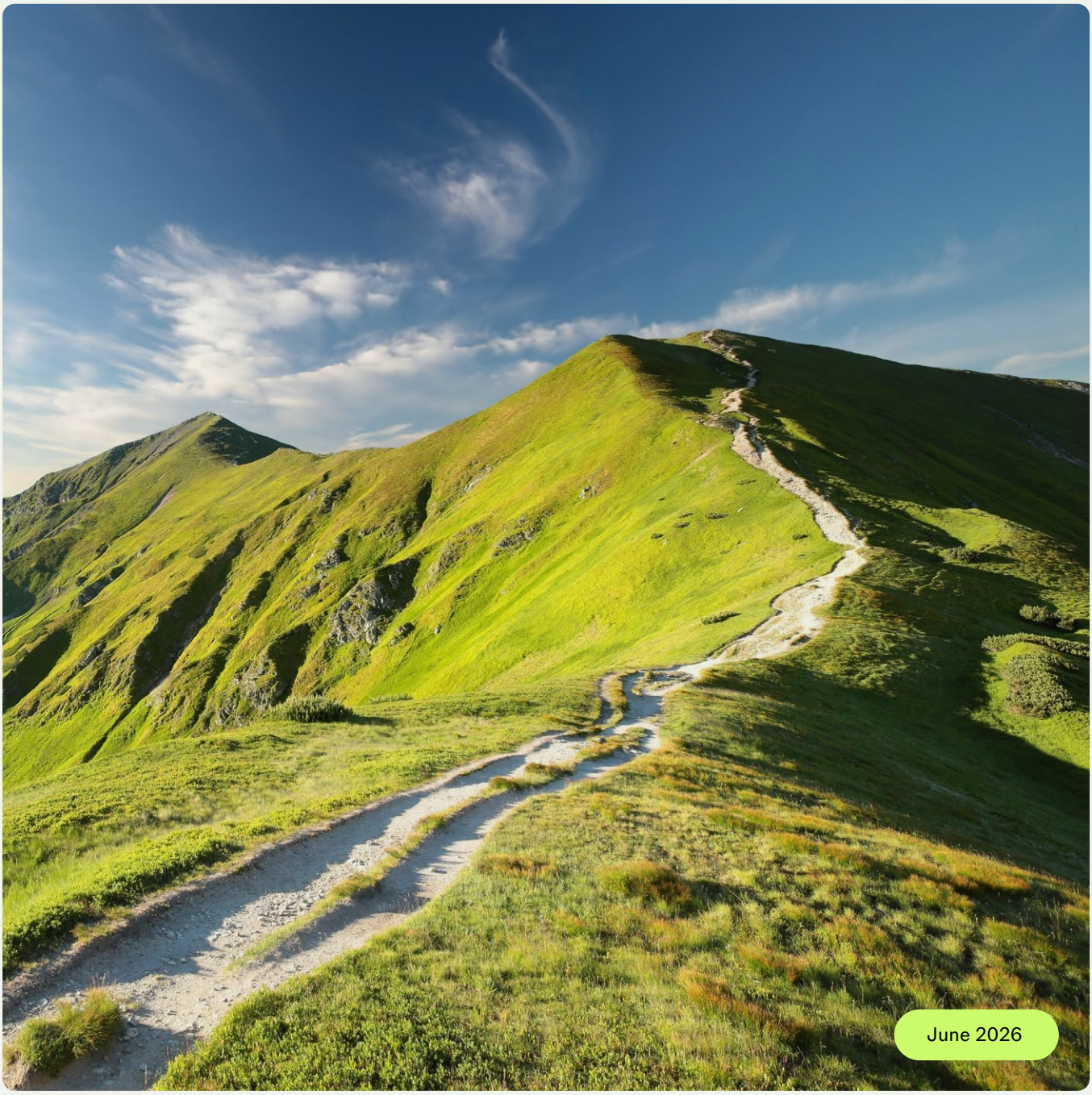
GREEN CLIMATE FUND

B.45 Edition

GCF Reform Journey

Country-led, efficient, and impactful



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Introduction

The urgency and magnitude of the investments needed in developing countries to support human prosperity in the face of significantly higher climate risks requires GCF – as the largest multilateral climate finance mechanism – to deliver climate finance at a much larger scale and speed. That was the premise of the "50by30" vision presented in 2023, a vision built around five core tenets: enhancing efficiency; maximizing impact; reaching the most vulnerable communities; scaling private sector mobilization; and advancing strategic country-led programming. GCF needed to strengthen its operating model and improve the way it supports countries and partners, to build a fund that will be able to efficiently and impactfully manage a capitalization of USD 50 billion by 2030.

In response, a broad reform journey was undertaken, grounded in listening, learning and action. GCF listened to its partners and the communities it serves, assessed the progress made since the Fund's creation, and identified both external challenges and internal barriers to effective delivery. Based on this, the Fund launched a series of reforms to transform the GCF into a more country-led, more efficient and more impactful fund.

The first driver of the Reform was the need for greater country focus. An organizational restructuring of the secretariat was necessary for our operating



GCF is partnering with Enabel and Mozambique to enhance the country's climate resilience and to reduce emissions by expanding access to off-grid energy and strengthening the country's capacity to finance and manage off-grid energy investments. Image credit: Belgian Agency for International Cooperation (Enabel)

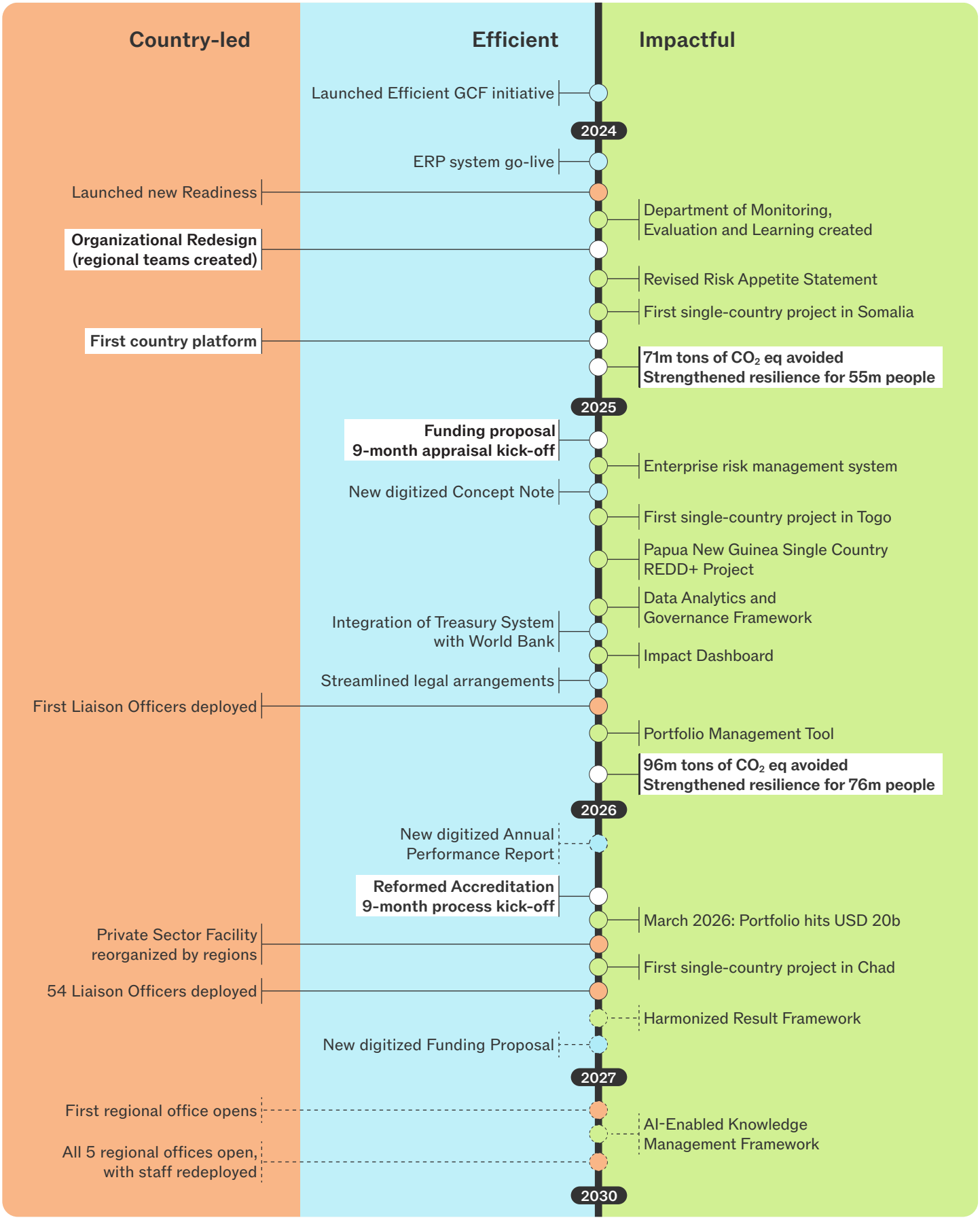
model to be better integrated and more responsive to the country needs. The new regional teams supported by enhanced corporate services provide a more consistent engagement across all of GCF's tools – readiness, project preparation facility, pipeline development and portfolio management – better contextual understanding and alignment with country priorities and realities.

The second driver for the Reform was the need to improve access to finance by making the Fund more efficient. Feedback from partners pointed to slow response times and high transaction costs. Internal inefficiencies, including fragmented workflows, silos and process complexity, limited agility and reduced institutional effectiveness which risked securing results in a timely and cost-effective manner. These challenges highlighted the need to improve external service delivery and strengthen internal coherence and efficiency.

Lastly and most importantly, the Reform is driven by the imperative to make the GCF more impactful. While strengthening country ownership and improving access to finance are essential, they ultimately serve the broader goal of maximizing the Fund's contribution to climate action. GCF recognized the difficulties in demonstrating results and the need to invest in stronger monitoring and evaluation systems, enhancing the use of data to effectively capture outcomes, identify lessons, and provide evidence of how climate finance is transformed into measurable and systemic climate impact.

This report sets out how the Reformed GCF is becoming a benchmark **country-led, efficient, and impactful** institution.

GCF reform journey since end of 2023



1. Country-led



Advancing country-led strategic and transformational programming

1.1 Bringing GCF closer to countries

While country ownership has always been a core principle of the GCF, experience showed that stronger engagement with countries, deeper regional understanding, and more integrated support were needed to make this principle more operational in practice. The country-led reform pillar is therefore about bringing the organization closer to the realities, priorities and needs of countries, while making engagement with GCF more responsive, coherent and effective.

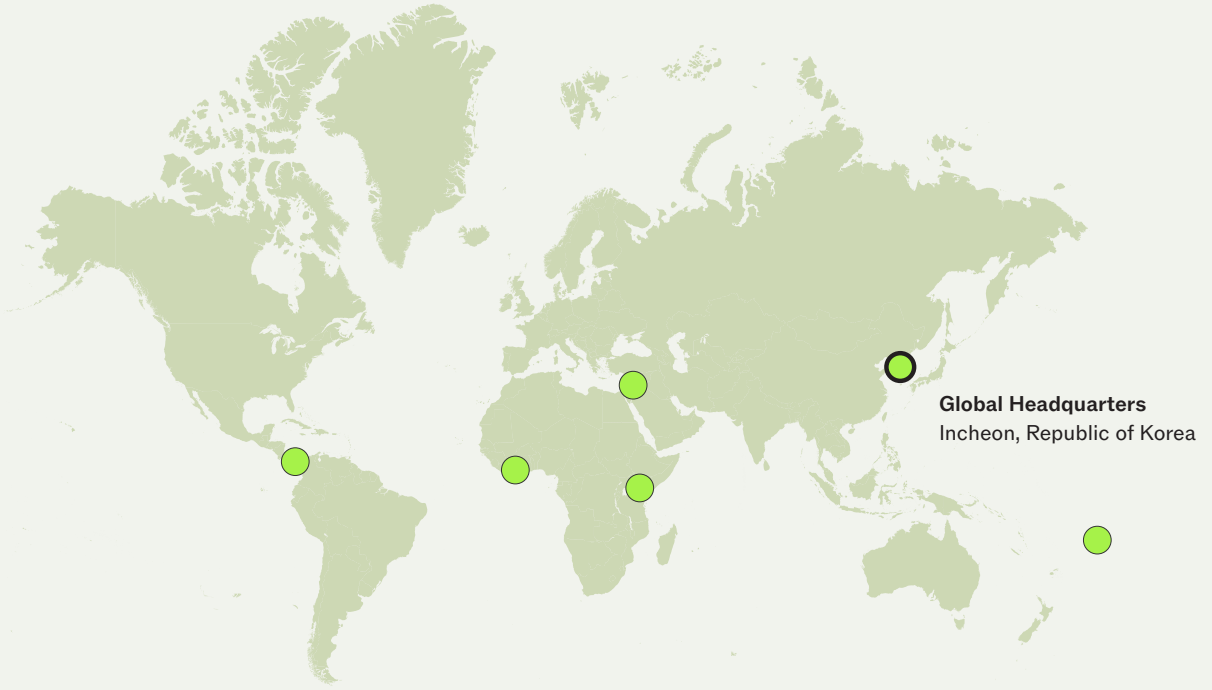
Starting in 2024, **the organizational reform** focused on reshaping the Secretariat to better support countries through a regional lens. This included redesigning the organizational structure around regions, allowing programming teams to engage with countries and partners across the full range of services and support GCF provides, namely, upstream policy and institutional strengthening, pipeline development and review and portfolio management. The integration of the Private Sector Facility into the regional set-up at the end of 2025 was another important step to better support the engagement along a whole-of-economy lens, including public and private sector investments. This organizational design enhances the ownership of the operational teams across the entire project lifecycle, breaking down silos and enabling partners to engage through a single, consistent point of contact from start to finish. This has also facilitated communications with partners, with many day-to-day exchanges with developing countries now being conducted in their language, thanks to the end-to-end engagement of the specialist regional departments.

Looking ahead, the Fund will deepen this shift through physical regional presence, **targeting opening the first regional office in the second half of 2027**. In a landmark decision at B.44, and in strong support of the GCF's Reform, the Board decided that GCF will open regional offices in:

- Latin America and the Caribbean, located in Panama City, Panama;
- Eastern Europe, Central Asia and the Middle East, located in Amman, Jordan;
- Africa, located in Nairobi, Kenya and Abidjan, Côte d'Ivoire; and
- the Pacific, located in Suva, Fiji.

The Board confirmed that the GCF headquarters, located in the Republic of Korea, will cover East, Southeast, and South Asia.

Planned GCF regional and sub-regional offices



Latin America and the Caribbean
Panama City, Panama

Africa
- Abidjan, Côte d'Ivoire
- Nairobi, Kenya

Eastern Europe, Central Asia and the Middle East
Amman, Jordan

Asia and the Pacific
- Incheon, Republic of Korea
- Suva, Fiji

The institutional reforms undertaken to strengthen systems and standardize processes since 2023 will enable future office deployments to be carried out seamlessly, ensuring continuity of operations while remaining budget-neutral over time. These reforms will be described in greater detail in the following chapter of this document.

Marking the first time GCF will have a physical presence closer to the developing countries it serves, this reform will strengthen coordination with its national government focal points (National Designated Authorities) and project partners (Accredited Entities), ensuring readiness support is aligned with country needs, accelerating project preparation, and improving implementation and monitoring of results.

1.2 Strategic country-led programming

GCF's readiness program was fundamentally reoriented under the 2024–2027 strategy to support multi-year, programmatic approaches anchored in country leadership and capable of mobilizing larger volumes of climate finance. This shift moves beyond fragmented, short-term interventions toward strategic and systems-based engagement. A core pillar of the reform has been improving efficiency, speed, and usability of readiness support. These reforms directly respond to earlier concerns around complexity, slow delivery, and fragmented support, repositioning readiness as

a faster, more predictable and programmatic instrument aligned with country needs and investment cycles. This has included:

- Streamlining processes and tools, reducing the time required to process readiness grants and simplifying access modalities;
- Introducing pre-qualified delivery partners to accelerate implementation;
- Advancing digital systems and standardized procedures to improve processing, disbursement, and oversight; and
- Refining the results framework to focus on fewer, more impactful objectives.

Within this framework and building on the successful roll out of country coordination mechanisms financed by previous readiness grants, **Country Platforms** have emerged as a flagship modality, operationalizing the shift toward coordinated, large-scale investment planning. The Brazil Country Platform, launched in October 2024 as the first GCF-supported platform, set the precedent. It exemplifies a whole-of-government and whole-of-economy approach, aligning national climate priorities with investment pipelines across ministries, public agencies, subnational actors, and the private sector, while embedding participation from civil society and indigenous communities.

Through readiness resources and complementary financing arrangements, GCF is supporting the establishment of a **Country Platform Hub**, a global coordination and knowledge mechanism designed to facilitate connections to technical and financial partners, continuous learning, best-practice sharing, and peer exchange amongst developing countries, supporting governments to design, implement, and scale Country Platforms.

Recognizing the capacity constraints in many countries as well as the countries' request to ease access and accelerate delivery, the new readiness strategy also supports for the first time the recruitment and placement of **liaison officers**. They are a significant step forward in enhancing country ownership and operational efficiency, serving as vital bridges between the GCF Secretariat and National



Liaison officers participating in the GCF onboarding workshop at the GCF headquarters. Image credit: Green Climate Fund/ Terence Gile

Designated Authorities (NDAs), ensuring real-time support, improved coordination, and stronger alignment with national climate priorities. Their scope of work includes country programming, planning readiness support over medium-term, supporting origination efforts for mainstream funding, overseeing readiness activities and climate investments, as well as portfolio monitoring and reporting. This initiative not only aims to enhance the immediate engagement with the GCF but also seeks to build long-term local capacity to address climate priorities effectively. As of June 2026, 54 countries have already benefited from this placement.

The new readiness strategy also responds to a clear gap in terms of support to **Direct Access Entities (DAEs)** who had not yet been able to present projects to the GCF. For the first time, a dedicated DAE modality is being implemented with each DAE being able to access funding of up to 1 million. As of June 2026, 11 DAE proposals have been approved, with a further 28 under review. To further scale support for DAEs, GCF in collaboration with the Adaptation Fund, has rolled out the CP-DAE Community of Practice that brings DAEs together for peer learning, shared knowledge, and collective capacity building. It functions as a global platform to exchange experience, reduce duplication, and accelerate the transition from accreditation to pipelines and effective implementation.

Support to DAEs has also been strengthened through a new **Revised Accreditation Framework (RAF)** approved by the Board in 2025. One of the RAF's prioritization criteria is the accreditation of Direct Access Entities, especially within countries that do not so far have a direct access partner. These national and regional entities can implement locally led climate action, putting country ownership as a core priority of GCF's network extension. The Revised Accreditation Framework introduces fit-for-purpose, streamlined processes that remove bottlenecks and accelerate onboarding of partners; accelerate the ability to meet country's climate ambitions; and enable GCF to expand its network and country coverage significantly, especially given that at the outset more than half of eligible countries lacked a national Direct Access Entity.

1.3 Reaching the most vulnerable

Building on the mandate given by the Governing Instrument to take into account, in allocating resources for adaptation, the urgent and immediate needs of SIDS (Small Island Developing States), LDCs (Lead Developed Countries) and African states, the 50by30 vision includes an explicit focus on reaching those that are particularly vulnerable to climate change.

These countries, where debt stress, instability, weak institutions, damaged infrastructure, displacement, and environmental degradation compound exposure to climate shocks, concentrate many of the world's most climate-vulnerable communities.

The reforms have brought these into focus and proactively sought to support these groups, both in the Fund's programming and accreditation pipelines. In 2024, GCF mapped out the underserved countries in its portfolio. The mapping

found 18 countries without approved GCF FPs and 40 without a single-country FP. Since then, GCF has systematically worked to close this gap, approving first-time single-country projects in countries such as Togo, Somalia, and Papua New Guinea in 2024/2025.

GCF is rapidly becoming a leading provider of climate finance in developing countries, including those with fragile contexts, where its support stood at USD 1.23 billion prior to 2023 and rose to USD 2.39 billion from 2023 to 2026. This has included new funding in countries like Iraq, South Sudan, and Somalia. In the single year of 2025, GCF approved funding directed towards LDCs, SIDS, and African States amounting to 1.77 billion dollars.

GCF also pays particular attention to the particular challenges of SIDS and in June 2026, the GCF Secretariat went a step further in addressing them by establishing a dedicated SIDS taskforce, bringing together the Regional and Investment Services teams every quarter to coordinate on SIDS priorities. And, in addition to its regional dialogues, GCF is also committed to convene a biannual Talanoa, a virtual dialogue, between GCF Management and SIDS senior officials to discuss strategic matters. GCF is now considering implementing similar arrangements to respond to the needs of the LDCs.

2. Efficient



Enhancing access and institutional performance

Under the leadership of the Executive Director, the Efficient GCF initiative was launched at the end of 2023 to improve the speed of access to climate finance and to set up the systems, processes and capabilities needed to perform effectively.

In 2025, the initiative expanded its scope of action to include corporate processes, and, in 2026, a broader Operational Excellence framework was created to provide a foundation for continuous improvement of GCF's processes and systems and a sustained culture of Excellence across the Secretariat.

The Efficiency reform pillar therefore focuses both on Programming Efficiency, making it easier and faster for partners to work with GCF, and on Corporate Efficiency, strengthening the institutional backbone that supports delivery.

2.1 Programming efficiency

Since 2024, reforms to programming have focused on revamping GCF's funding proposal appraisal and accreditation processes, as well as simplifying its legal arrangements with partners. Together, these changes are intended to simplify entry points, shorten timelines, and reduce transaction costs for partners.

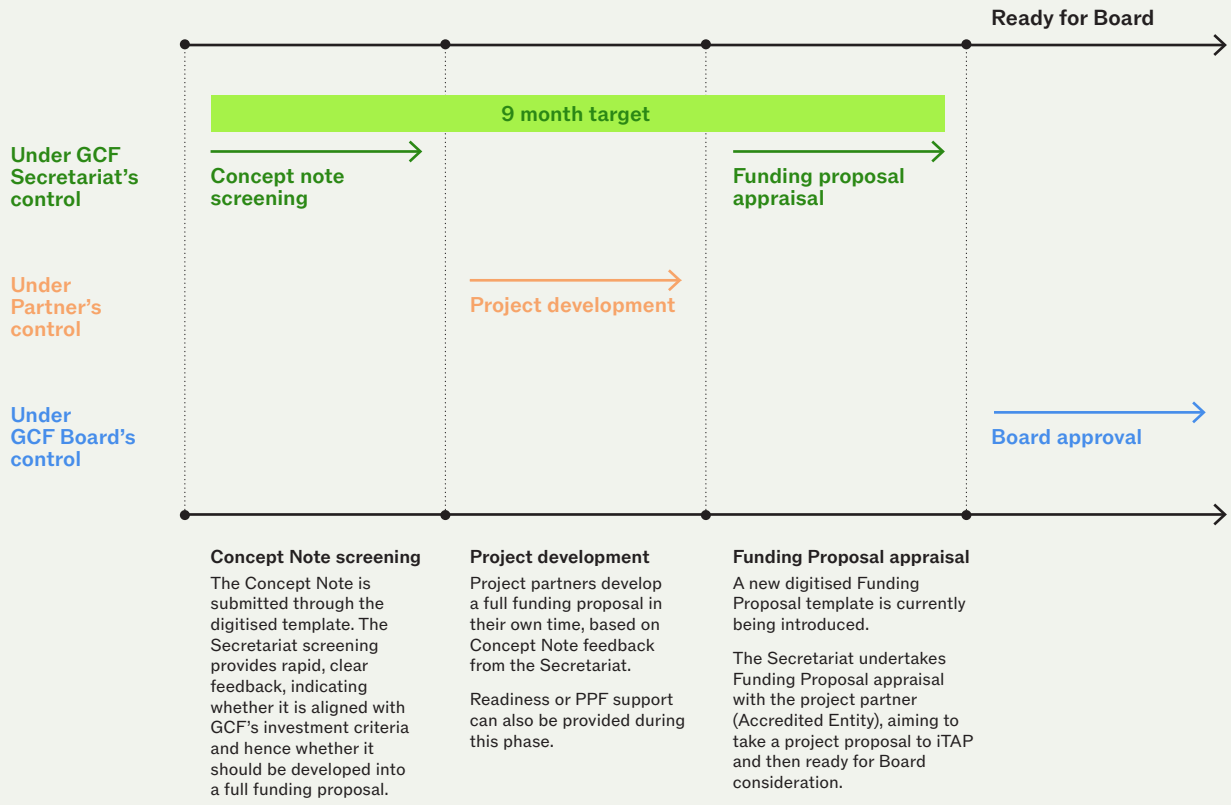
First, an ambitious target was set to complete the **appraisal of Concept Notes and Funding Proposals in nine months or less**.[1] To deliver on this commitment, GCF has:

- Introduced an initial concept screening process through which GCF provides clear and early feedback to partners in less than two months, versus approximately two years historically, significantly reducing transaction costs on both sides;
- Standardized and streamlined the review processes to avoid duplication of work;
- Deployed a first AI agent within a programmatic process to support the appraisal of Concept Notes and Funding Proposal;
- Continued to implement and enhance the PSAA (Project-specific Assessment Approach) modality by which the accreditation assessment and proposal appraisal are conducted in parallel, reducing the overall cycle time; and
- Improved its internal dashboards to monitor its pipeline in real time.

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[1] This includes GCF Secretariat processing from reception of a concept note on the GCF partner portal until the project is ready to be presented to the Board for approval. It excludes the time taken by GCF's partners to develop their proposal. The 9-month commitment applies to all proposals received from 1 January 2025 onwards.

Efficient GCF



GCF is now on track to deliver on its 9-month commitment for all new projects submitted since January 2025. As of May 2026, among 36 newly submitted FPs, 10 have been processed within 9 months, 25 are currently progressing as scheduled to meet the target completion date and one is experiencing a slight delay.

One project in particular highlights how quickly GCF can now respond to the needs of an LDC. In Chad, a $25 million grant supporting climate–affected farming and agropastoral communities was developed by the NGO ACTED and brought by the Secretariat to the Board in just over 5 months. The Funded Activity Agreement was signed immediately after approval and the first disbursement occured within 12 weeks. This end-to-end turnaround illustrates how recent reforms are enabling faster, more responsive delivery where it is most needed.

On the private sector side, the CC Asia Climate Fund project demonstrated GCF's ability to mobilize private investment in record time. Through this PSAA project,[2] GCF supported the transition of a Hong Kong ESG fund manager into a climate-focused fund, and tailored equity programmes for underserved markets in Central Asia, including Uzbekistan, Kazakhstan, and Mongolia. The entity's capacity assessment was completed in less than 2 months, while in parallel, GCF's project review time was less than 5 months.

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[2] Project Specific Assessment Approach (Project-specific Assessment Approach | Green Climate Fund).

Next, as part of the **Revised Accreditation Framework** approved by the Board at B.42, **a nine-month target for accreditation applications was introduced**.[3] This reform reallocated controls over fiduciary standards across the project lifecycle, reinforcing accreditation as an institutional due diligence function. With this, GCF continues to broaden its network of partners, especially Direct Access Entities. To enhance efficiency, applications are considered during fixed application periods or 'windows' each year. The first window closed in April 2026 with 49 national direct access applicants from 35 countries, 28 international access applicants, and 11 regional direct access applicants. The Secretariat is monitoring the pipeline to ensure it can deliver on the reform's goals to expand the partner network, strengthen efficiency, predictability, fairness, transparency, and enhance accountability and risk management.

The launch of the **GCF Partner Portal (GPP)** as a one-stop site for GCF partners is another important step, directly responding to feedback from partners who had to navigate multiple GCF systems, resulting in a fragmented and poor user experience. By creating a more integrated and user-friendly interface, the GPP helps break down these silos and gives partners a clearer view of the status of their pipeline and approved projects.

In 2026, as GCF implements the updated **Monitoring and Accountability Framework**, its focus is now moving to more effectively and efficiently monitoring the performance of our portfolio and of our partners. Through the introduction of a streamlined, digitized template for partners to report their Annual Performance Reports on the GPP platform, Accredited Entities are able to access historical data and report incremental changes, while revised sections now request quantitative metrics rather than extended narratives, increasing efficiency for both AEs and the GCF regional teams. The digitization of data collection enhances the quality of reported information and supports the application of AI-based tools to identify inconsistencies and potential errors, thereby reducing the need for repeated clarifications. These new features also strengthen impact measurement and reporting and will be described in greater detail in the following chapter of this document.

GCF is also strengthening the disbursement process by identifying both internal and external root causes of delays. While external factors will require longer-term solutions, the Secretariat has already taken steps to address issues within its control. In 2025, the GCF's treasury system was successfully integrated with its Trustee's, enabling automated and seamless information transfers for payments. This integration has reduced manual inputs, resulting in faster processing times, from 10 to 3 days on average for this part of the disbursement process and enhanced control over the disbursement workflow. In addition, automation is advancing in other areas, such as sanction screening, with a dedicated solution scheduled for delivery by the end of 2026.

Direct Access Entity applications in April 2026

NATIONAL DIRECT ACCESS APPLICANTS

49

INTERNATIONAL ACCESS APPLICANTS

28

REGIONAL DIRECT ACCESS APPLICANTS

11

[3] The timeline excludes applicants' response time and includes review by the Secretariat and the Accreditation Panel.

Looking ahead, the Fund is planning to further accelerate its project appraisal process. Building on the initial success of its first AI agent, a suite of AI agents is currently under development to support different components of the evaluation of Funding Proposals. These agents, currently entering a trial phase, are designed to assist teams in synthesizing documentation, structuring analysis, and generating initial drafts of evaluation reports, reducing the time required to produce a first draft from several weeks to a matter of hours, while preserving the central role of expert judgement. In parallel, an additional AI agent is under development to automate the preparation of the first draft of the Funded Activity Agreements (FAA) for approved projects, with a view to further reduce the average time between Board approval and signing of the legal arrangements.

2.2 Corporate efficiency

In parallel, reforms to corporate efficiency have focused on strengthening institutional capacity and enhancing the productivity of the Secretariat's support functions.

First, the Fund adopted a multi-annual work programme and budgeting framework, strengthening internal governance by providing greater predictability and capacity for and transparency in resource allocation. And through organizational development efforts, core functions were reinforced, including Treasury, Financial Control, IT, People and Culture, Risk and Operational Excellence, to ensure that the institution is better equipped to support a growing and increasingly complex portfolio and to implement regional presence.

Significant investments were also made to implement an integrated ERP system,[4] modernize internal processes, and reduce manual work, particularly within the finance and procurement functions, resulting in substantial efficiency gains. As an example, process automation has enabled the accounting team to double the number of invoices processed per month while maintaining a similar level of staffing. The consolidation of the ERP environment into a single integrated system, serving as a single source of truth for finance, HR, procurement, and travel and expense data, has significantly strengthened GCF's reporting capabilities. By bringing these core operational data sets together into one platform, it has reduced the time required to produce reliable operational information, improved consistency across reports, and enhanced management's ability to monitor performance and make timely decisions. Looking ahead, as it further leverages AI, the Secretariat is working toward near real-time reporting that will provide even faster, more actionable insights across the organization.

[4] An Enterprise Resource Planning (ERP) system is a centralized software system organizations use to manage core business activities such as accounting, procurement and human resources.

Through the adoption of AI-enabled software development practices, the organization has strategically avoided an estimated procurement cost of USD 5 million.[5] By leveraging modern AI tools to accelerate coding, testing, and system design, the IT function successfully delivered a fit-for-purpose solution in-house, tailored to the institution's specific business requirements. Beyond direct cost avoidance, this approach has also enhanced long-term flexibility, ownership of intellectual property, and the ability to iteratively adapt the system in response to evolving operational and policy needs. This initiative demonstrates how targeted investment in AI capabilities can materially reduce capital expenditure while strengthening institutional resilience and self-sufficiency in core systems.

As part of its reform agenda, the GCF also recognizes that no organization can perform effectively without the right talents and a strong, enabling organizational culture. This is why the Fund is rolling out the Gallup Strengths framework across teams, encouraging staff to identify and build on their individual strengths. To amplify this impact, managers are being trained to apply the same approach in leading their teams, creating a multiplier effect to leverage people's strengths across the institution. At the end of 2025, a comprehensive staff survey provided valuable insights into employee experience, engagement, and evolving needs. These findings will inform a structured action plan to address identified gaps and further strengthen the work environment.

The new Staff Regulations and Staff Rules (SRR), approved by the Board in July 2025, came into effect on 1 January 2026. This represents a major step in transforming the GCF's HR framework to meet its evolving institutional needs by supporting GCF's strategic objectives; aligning the HR framework with GCF core values and principles;



The two-day staff retreat in April 2025 brought GCF staff together in one place to build relationships, connect across teams, and strengthen the internal network. Image credit: Green Climate Fund

[5] Based on indicative pricing received through a formal RFP process for a commercial loan management system.

enhancing the HR framework's coherence and effectiveness, including through the introduction of a single salary structure; and strengthening the risk management and compliance posture of GCF, by establishing the Professional Conduct Unit and enhancing and streamlining the grievance process and dispute resolution system.

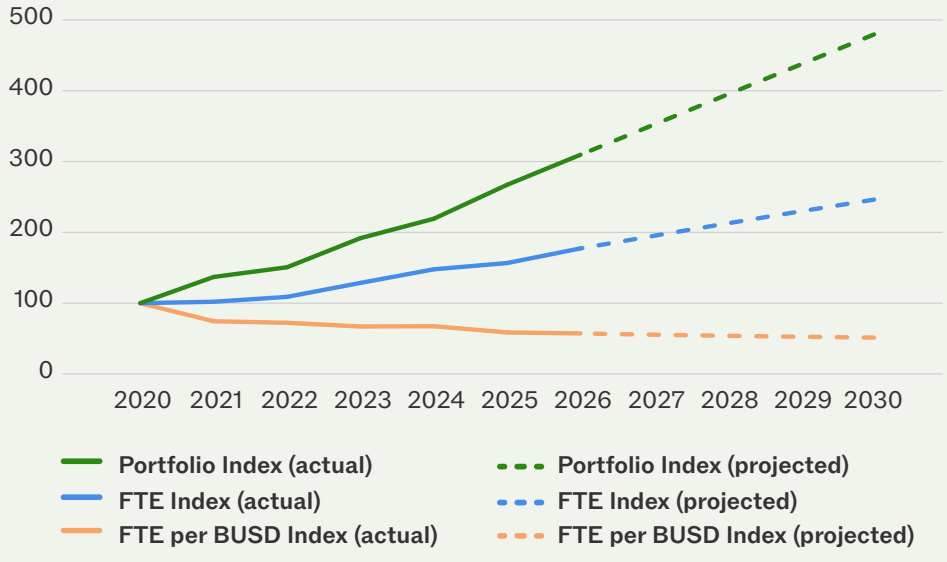
Finally, to reinforce its culture of excellence, GCF has, over the past three years, invested significantly in internal control and operational excellence training. This includes targeted training programmes on the COSO[6] internal control framework, building a critical mass of staff with formal certification, 27 as of June 2026, and strengthening control awareness across the organization.

By embedding stronger control mechanisms within streamlined workflows and digital systems across the programming and corporate functions, and by building a risk-aware culture, GCF is reducing operational risks, improving compliance, and enabling more reliable and timely decision-making. This shift reflects a move from manual, fragmented controls toward a more integrated and preventive control environment, where risks are identified and managed proactively as part of day-to-day operations.

As a result of initiatives undertaken at both the Progrmming and institutional levels, productivity gains are beginning to materialize. Between 2020 and 2025, Secretariat staff costs grew at an average annual rate of 15%, while the portfolio of projects increased on average by 21% annually over the same period.

Evolution of Staff Costs and Portfolio Size – Index 2020 = 100 (with projections)

By 2030, scaling and efficiency gains are expected to reduce by half the number of FTEs per USD 1 billion of portfolio.



Note: Baseline Index 2020: Full Time Equivalent 203 and Portfolio Size USD 7.3 Bi

[6] GCF utilizes Committee of Sponsoring Organizations of the Treadway Commission (COSO) model as its foundational Internal Control Framework, as per Board Decision B.BM-2015/06.

3. Impactful



Leveraging the power of technology and data for greater, systemic impact

Impact is the ultimate destination of the GCF Reform Journey, the point at which being country-led and becoming more efficient translate into tangible climate results for people and the planet.

As stated in its **GCF.10 Impact Report**,[7] GCF's projects have achieved significant results to date, reducing more than 95 million tons of greenhouse gas emissions and directly strengthening the climate resilience of 75 million people worldwide. Across the full portfolio of approved projects, a total of 1.3 billion tons of greenhouse gas emissions is expected to be reduced, while 464 million people are projected to benefit directly from our adaptation interventions.

Yet the rising climate crisis necessitates that the GCF pivots from a project-based approach to interventions geared towards longer-term systemic and transformational changes. To support this shift and to generate a greater multiplier effect of its intervention, GCF is massively investing in strategic knowledge and learning, technology and data as well as sharpening its results frameworks.

3.1 Turning data, evaluations and knowledge into impact

The creation of the Office of the Chief Strategy and Impact Officer has been a cornerstone of the 2024 organization redesign, regrouping the Strategy, Impact, and Communications functions under one leadership to demonstrate results and to ensure that the Fund's strategy is consistently guided by impact.

At the same time, the Fund is undertaking a technology-led transformation to strengthen how it captures, manages and uses data to demonstrate impact and drive learning. The Concept Notes, Annual Performance Reports (APRs) and Funding Proposals are digitized through the GCF Partner portal, enabling a more structured, reliable and standardized collection, use and reporting of data and results.

GCF is also transforming the way it leverages insights from evaluations, moving from stand-alone accountability instruments into a continuously utilized source of

[7] GCF.10 Impact Report, A decade of global climate action: Building resilience, transforming lives.

strategic insight, embedded across decision-making processes and institutional learning systems. The introduction of consistent online publication of Accredited Entity-led interim and final evaluation reports responds directly to stakeholder demand, particularly from civil society, for greater transparency and accountability. Concurrently, the Fund is strengthening internal processes to "close the loop" between Independent Evaluation Unit (IEU) findings and management responses, ensuring that evaluation insights are consistently integrated into Secretariat decision-making, enhancing coordination and relevance

At the same time, GCF is pioneering a shift from fragmented, supply-driven knowledge management into a demand-led, AI-enabled system that delivers actionable insights at the point of need. Combining internal IT and Monitoring Evaluation and Learning (MEL) capabilities, GCF is building an institutional knowledge system that transforms data and information into a structured, query-able, and synthesized knowledge base. This approach leverages Retrieval Augmented Generation (RAG) frameworks and a structured knowledge model to ensure that insights are accessible, contextually relevant, traceable, and anchored in GCF's results areas.

Complementary efforts in data libraries and dashboards are expanding access to portfolio and country-level information, improving monitoring, evidence-based decision-making and institutional oversight, and enabling a shift away from fragmented, manual reporting toward an integrated reporting and analytics model. Underpinning these changes is a robust data governance framework that safeguards consistency, accountability and transparency, while the public GCF Open Data Library makes key project and impact data available for external scrutiny and use.



This GCF-backed project in Peru will establish a facility to provide financing and technical support for community-based eco-bio-businesses (EBBs) that promote sustainable forestry such as sustainable tourism and wildlife management to forestry and agroforestry products. Image credit: Profonanpe/ Organero Gera

To further drive efforts, the Harmonized Results Management Framework (HRMF) to be presented to the Board in 2026 will provide, if approved, a consistent basis for planning, tracking and assessing results across the portfolio, helping to strengthen comparability, accountability and learning across the two existing corporate results frameworks for GCF projects and enabling the Secretariat to report results at portfolio level. By making the structuring of funding proposals and the monitoring of results more intuitive and user friendly, the HRMF will improve accessibility for Accredited Entities, reduce the compliance burden, support higher-quality results reporting, and strengthen GCF's position as a partner of choice. Furthermore, in line with the Board's call for coherence and complementarity with other climate funds and national reporting obligations, the framework is being aligned with peer climate fund frameworks and with indicators under the Global Goal on Adaptation.

Together, these next-generation reforms strengthen the Fund's ability to track outcomes, learn from results and inform the design and implementation of future projects. And more importantly, through data-based evidence these reforms are allowing the GCF to project interventions with a potential to effect systemic change and even to support countries in adopting similar systemic approaches to programming.

3.2 Leveraging GCF's differentiated risk appetite to unlock public and private investments at scale

The 2024 institutional reorganization marked an important step in strengthening GCF's ability to mobilize climate finance at scale, including through the establishment of the Department of Strategic Investment Partnerships and Co-Investments. The creation of this new department reflects the Fund's broader strategic objective of becoming a stronger catalyst for public and private investment, with a particular focus on developing large-scale transformative projects, innovative financial instruments, and structuring approaches that can unlock additional capital for country-driven climate priorities.

This is precisely where the Fund's differentiated risk appetite becomes central to its impact mandate. By accepting risks that other investors may not be able or willing to take, GCF can support projects and programmes with high climate impact potential, crowd in additional capital, improve the financial viability of investments, and help extend climate finance to the most vulnerable countries and communities, including in fragile and conflict-affected contexts. This approach was formalized in the **revised 2024 Risk Appetite Statement**, which makes clear that risk-taking is not an end in itself, but a deliberate means to unlock greater impact:

> "To realize significant impact and promote a paradigm-shift to meet its strategic objectives, GCF is willing to accept considerable risks in its programmes and projects in return for impact potential, to be evaluated on a case-by-case basis, recognizing the specifics of each funding proposal."

The revision of the Risk Appetite Statement was accompanied by more proactive risk-management measures, including the reinforcement of operational risk management practices and the rollout of a comprehensive Enterprise Risk Management (ERM) system. These enhancements provide a structured approach to identifying, assessing, and mitigating risks across the Fund's expanding portfolio, while also embedding risk awareness into daily operations. By integrating ERM into its reform journey, the Fund has positioned itself to manage complexity more effectively, safeguard resources, and build contributors confidence.

This approach demonstrates how the Reform equips GCF to take calibrated risks in pursuit of greater, systemic impact, reinforcing its role as a catalyst for transformational climate finance.

A key measure of the Fund's growing impact is its ability to mobilize finance well beyond its direct contributions. The reforms undertaken since 2023 have strengthened this catalytic function by reducing complexity, accelerating project delivery, and creating the conditions for larger and more transformational investments. As a result, as of June 2026, the Fund's USD 20.1 billion portfolio mobilized USD 59.7 billion in co-financing, of which approximately USD 32 billion is through private capital demonstrating how strategic use of concessional resources can unlock significantly greater private investment. This is equivalent to a private sector mobilization ratio of 4.5:1, even raising to 6.25:1 in adaptation projects.

These outcomes demonstrate that the reform journey is not only improving institutional performance, but also significantly enhancing the Fund's ability to act as a catalyst for transformational climate finance, amplifying the impact of every dollar invested and extending its reach far beyond the projects it directly funds by creating new business models for adaptation financing.

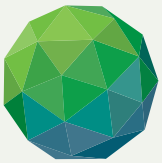
Conclusion



The GCF Reform is not a one-off exercise, but a continuing journey of institutional transformation. A number of reforms are already having a direct and tangible effect on the way the Fund operates. At the same time, many of the most significant benefits of the reform journey will materialize progressively as these reforms are embedded, scaled, and connected more fully across the institution, with the full effects expected to be seen over the period to 2030. Efficiency reforms are currently well-advanced, with measurable gains already emerging in processing times and institutional productivity. Country-led reforms are also well underway, and expect to be further strengthen when the regional presence is established and embedded over time. Impact-enabling reforms are beginning to put in place the data, systems, and results frameworks needed for more consistent learning, accountability, and evidence-based decision-making.

It is important to emphasize that the Green Climate Fund's reform journey did not come at the expense of delivery. In fact, 2025 marked a record year, with programming volume reaching USD 3.26 billion across 50 projects. Even as the Fund restructured its institutional architecture and rehauled its processes and systems, it continued to expand its country partnerships and manage a rapidly growing portfolio. This underscores the Fund's ability to balance transformation with performance: driving forward reforms, while simultaneously delivering climate finance to meet urgent adaptation and mitigation needs.

Looking ahead, the priority will be to consolidate the gains already achieved, sustain momentum across the three reform pillars, and ensure that reforms implemented in one area reinforce progress in others. As this journey continues, GCF will keep learning, adapting, and reporting on progress, providing regular updates on results achieved, milestones ahead, and the further changes needed to ensure that a more country-led and efficient institution translates into greater and more systemic climate impact for the countries and communities it serves.



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