SUMMARY BRIEFING

45th Green Climate Fund Board Meeting

29 June - 2 July 2026

Dear Friend of the Climate Finance Advisory Service (CFAS),

This is the CFAS Summary Briefing. Produced at key meetings and negotiations by the CFAS expert team, the Summary Briefing tries to provide a concise, informative update on key discussions that have taken place at each meeting and give an overview of substantive points of action or progress. Please note that this is an independent summary by CFAS and not officially mandated by the GCF.

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The CFAS Team

Summary

From 29th June to 2nd July 2026, the Board of the Green Climate Fund (GCF) convened for its 45th meeting in Dushanbe, Republic of Tajikistan. The meeting's agenda focussed on the arrangements for the third formal replenishment of the GCF; updated country ownership guidelines; a revised policy on fees, and a revised commitment authority methodology. Furthermore, the Board considered the approval of ten funding proposals (requesting 369.1 million USD in GCF funding) and the accreditation of nine new entities.

Consideration of Funding Proposals

The Secretariat presented a funding proposal package comprising 10 proposals, requesting USD 369.1 million in GCF resources, with a total value of USD 700.6 million, including co-financing. The investments are projected to benefit 14.0 million people and avoid 19.4 $MtCO_2eq$.

The package features two proposals from direct access entities, both of which are first-time direct access entities. Regionally, the largest allocation is dedicated to Africa (41%), followed by Eastern Europe, Central Asia and the Middle East (32%) and Asia-Pacific (26%). The package is strongly adaptation-oriented, with six out of 10 projects being adaptation-only projects and adaptation accounting for 89% of the package in grant-equivalent terms. Instruments are largely grant-based, with grants representing 86% of

the package and equity accounting for 14%.
The Secretariat highlighted several aspects of the proposal package. For instance, two proposals are first single-country projects for the Syrian Arab Republic (SAP072) and the Central African Republic (FP303). Furthermore, two proposals were submitted by first-time direct access entities, Kemitraan in Indonesia and NTNC in Nepal, while UNICEF and CGIAR submitted their first proposals as international access entities. In addition, two proposals received Project Preparation Facility support. The Secretariat also noted that 13 proposals had been submitted to iTAP, including two resubmissions, of which 10 were ultimately presented for Board consideration. While two multi-country proposals were not recommended by iTAP, the third project from an international access entity was deferred due to an outstanding compliance condition linked to the entity's re-accreditation.
Board members welcomed the package's strong focus on African countries at B.45. However, concerns were raised about the unusually small size of the package, reportedly the second smallest in the history of the GCF. Board members again called for a more balanced and efficient proposal pipeline, although this time, several expressed concern about the increasing shift towards adaptation over mitigation. The limited private sector share was also highlighted. In addition, it was suggested that iTAP should be involved earlier in the proposal development process to avoid late-stage rejections. The CSO Observer Network also raised concerns regarding the late disclosure of the funding proposal package.

The Board was broadly supportive of all proposals presented. For instance, Board members highlighted the locally led adaptation approach in SAP071 in Nepal. SAP072, the water resilience project in Syria, also received particular attention given the country's political situation and uprising after the end of the Civil War in December 2024. Board members further emphasised FP304's agroecological approach based on locally sourced inputs in Côte d'Ivoire and FP306's ridge-to-reef approach in Fiji. The most detailed discussion centred on FP307, the only private sector proposal in the package. Board members raised questions on the status and timeline of the expected co-financing, the use of the TA grant, replicability, safeguards, and the extent to which benefits would reach smallholders directly. CSO observers argued that the proposal would primarily support agribusiness companies rather than smallholder farmers. The AE, Deutsche Bank AG, clarified that the fund's theory of change relies on financing MSMEs working with smallholders and using market incentives to promote more sustainable supply chains.

Ultimately, the following projects and programmes were approved by the Board at B.45:

- **SAP070:** *"Building Flood Resilient Community through Adaptive Livelihood and Runoff Management in Petanglong Area of Central Java Province of Indonesia (BRAVE)"* / Indonesia / Kemitraan / Adaptation / Public Sector / USD 9.3M
- **SAP071:** *"Building Climate Resilience of Forest Dependent Communities through Enhanced Livelihood Opportunities and Local Capacity in Karnali Province, Nepal"* / Nepal / NTNC / Cross-cutting / Public Sector / USD 8.5M
- **SAP072:** *"WATER-RES - Enhancing the ability to address the risks of water scarcity in areas most affected by climate change and water shortage in Syria"* / Syrian Arab Republic / ACTED / Adaptation / Public Sector / USD 25.0M
- **FP303:** *"Climate Resilient Water Sanitation and Hygiene (WASH) and Disaster Management services for vulnerable children in the Central African Republic*

(CRDM-CAR)" / Central African Republic / UNICEF / Adaptation / Public Sector / USD 69.1M

- **FP304:** *"Enhancing Sustainable Land Management and Climate-Resilient Agri-food Systems in Côte d'Ivoire (LARACI)"* / Côte d'Ivoire / CGIAR / Cross-cutting / Public Sector / USD 40.0M
- **FP305:** *"Building the resilience of Togo's national health system and vulnerable communities to climate-sensitive health outcomes"* / Togo / GIZ / Adaptation / Public Sector / USD 43.8M
- **FP306:** *"Forest Landscape Restoration for Climate Benefits and Resilience (Fiji FLR)"* / Fiji / FAO / Cross-cutting / Public Sector / USD 29.4M
- **FP307:** *"Mekong Earth Regeneration Fund (MERF)"* / Lao People's Democratic Republic, Viet Nam / Deutsche Bank / Cross-cutting / Private Sector / USD 50.0M
- **FP308:** *"Improving climate resilience of vulnerable communities and enabling conditions for local climate action in Tajikistan"* / Tajikistan / WFP / Adaptation / Public Sector / USD 30.0M
- **FP309:** *"Resilient Water Systems for All (RWS4All): Deep Adaptation Pathways for Water Infrastructure in Kyrgyz Republic and Tajikistan"* / Kyrgyzstan, Tajikistan / EBRD / Adaptation / Public Sector / USD 64.0M

Consideration of Accreditation Proposals
The Secretariat presented a package of nine new entities for accreditation, of which six operate under the direct access modality. Five of the direct access applicants are national DAEs, and one is a regional DAE, while the three remaining applicants are international access entities. One of the new entities, Banco de Desarrollo del Ecuador B.P. (BDE), is the first national DAE for Ecuador. Overall, the package continues the Fund's focus on expanding direct access. With B.45, the GCF's network of accredited entities would increase to 177 entities. Hereby, the GCF's partner network has grown by 32% over the past 2.5 years.

The session further highlighted progress under the Revised Accreditation Framework (RAF), which entered into force on 31 October 2025. During the 12-month transition period, which runs until 31 October 2026, the Secretariat runs both accreditation frameworks in parallel. All applicants at B.45 have still been assessed under the current accreditation framework. The first pilot application window opened on 26 January 2026 and closed on 6 April 2026. Of 249 eligible entities invited to apply through the GCF Partner Portal, 88 submitted applications and 83 paid the applicable accreditation fees by 6 May 2026, thereby triggering a nine-month GCF review period, including a review by the Secretariat, which then sends applications to the Accreditation Panel. The nine-month review clock is paused during the time when an application is returned to the applicant for clarification or further action. Of these 83 applicants, 58 are national or regional direct access applicants, including 47 national direct access applicants from 34 countries and 11 regional direct access applicants. Eighteen of the national applicants, from 15 countries, would become the first national DAE for their country if accredited. Including the B.45 applicants, 58 countries have 1 or more accredited entities. The GCF aims to send 35-40 applications to the Accreditation Panel in 2026. From B.46 onwards, the first applicants assessed under the RAF are expected to be presented to the Board, with DAE applicants from countries without a national DAE being prioritised.

Board members broadly supported the accreditation package, particularly its strong direct access focus. However, the main discussion centred on the conditions attached to DAE applicants from developing countries and whether these create a disproportionate burden for institutions with limited resources. Several members called for stronger support for DAEs, especially where conditions relate to environmental and social policies, staffing or institutional systems. A related point of debate was the Secretariat's and Accreditation Panel's assessment of applicants' wider portfolios, including the emissions profile of their activities, with PT IIF referenced in this context. Some developed country members considered it important that entities demonstrate a pathway towards carbon neutrality across their broader portfolios, while several developing country members argued that such wider portfolio assessments go beyond current accreditation policies and the GCF mandate and risk placing excessive burdens on developing country entities. The Secretariat noted that, once accredited, entities may access Readiness support to further strengthen institutional capacities.

The following entities were approved for accreditation by the Board at B.45:

- **APL173:** Banco de Desarrollo del Ecuador B.P. (BDE) / national direct access / Ecuador / project/programme size: small for grant award and/or funding allocation mechanisms; medium for on-lending and/or blending for loans
- **APL174:** Corporación Financiera de Desarrollo S.A. (COFIDE) / national direct access / Peru / project/programme size: medium
- **APL175:** Mali-Folkecenter – NYETAA (MFC) / national direct access / Mali / project/programme size: micro
- **APL176:** PT Indonesia Infrastructure Finance (PT IIF) / national direct access / Indonesia / project/programme size: medium for project management and on-lending and/or blending for loans and guarantees; small for on-lending and/or blending for equity
- **APL177:** Town Development Fund (TDF) / national direct access / Nepal / project/programme size: small
- **APL178:** Equity Group Holdings PLC (EGH) / regional direct access / Kenya / project/programme size: medium
- **APL179:** Climate Fund Managers B.V. (CFM) / international access / Netherlands / project/programme size: large
- **APL180:** HELVETAS Swiss Intercooperation (Helvetas) / international access / Switzerland / project/programme size: small
- **APL181:** People in Need (PIN) / international access / Czech Republic / project/programme size: small

Report on the Activities of the Secretariat

The Secretariat presented its annual activity report, covering the Revised Accreditation Framework (RAF) rollout, the readiness DAE window, progress on regional office host country agreements, USP-3 and GCF-3 preparation, and a proposed rebrand.
The commitment authority proposal was contained in an annex to this report rather than presented as a standalone document. Within this annex, the Secretariat proposed revising the commitment authority methodology, removing the requirement to hold one dollar in reserve for every dollar committed and replacing it with a new methodology for calculating the reserve buffer. The Secretariat said the revision had been independently validated and was supported by the Trustee, the World Bank, and would raise usable commitment authority from around USD 1 billion to USD 5.65 billion.

This item consumed a large share of meeting time. Several Board members said they had insufficient time to assess a reform of this significance before being asked to decide, with some objecting specifically to a substantive methodology change being presented as an annex rather than as its own Board document. Developed country members were uniformly supportive, framing the change as standard multilateral fund practice and consistent with the COP29 goal to triple outflows from operating entities of the Financial Mechanism. Developing country reactions were mixed, with some supporting the reform and others urging a slower, piloted rollout, including concern that the new methodology could shift financing toward loans rather than grants, since loans carry less financial risk to the Fund.

The adopted decision addressed this directly, specifying that the change must not alter the Fund’s risk appetite or its financial instrument mix. The Board approved the revised methodology on that basis.

Updated Country Ownership Guidelines

The Secretariat presented an update on the draft Country Ownership Guidelines, including a no-objection and consultation procedure, seeking Board guidance ahead of a finalized package expected at the next Board meeting. The core argument was that country ownership is a continuous process spanning the entire GCF business cycle, from planning through implementation and learning, and that the No Objection Letter is only one instrument through which the Fund operationalizes it, not a synonym for it. The Secretariat’s evidence indicated that applying a single uniform No Objection process to all project types creates friction. National designated authorities are frequently brought in only after projects are largely designed, which limits the value of their input, and the letter functions relatively well for direct access entities and single country projects but poorly for multi-country and private sector proposals, contributing to delays, and unpredictable timelines spanning multiple years in some cases.

Developing country members were largely protective of the requirement for a formal, signed No Objection Letter, treating it as the one concrete safeguard their governments hold and insisting that any national authority must retain the ability to refuse. Several objected specifically to a provision that would allow a documented consultation record to substitute for the letter on projects without direct financial liability, arguing that consultation should be driven by development impact and national priorities rather than the financial structure of a proposal, and that silence from an authority must never be treated as approval. Developed country members were more open to differentiation, supporting the idea that countries could choose to opt out of the standard No Objection requirement in certain circumstances, and emphasizing the operational burden the current process places on implementing entities and private sector partners.

Both groups converged on wanting a clearer, more consistently applied definition of meaningful consultation, stronger technical and financial support to build national authority capacity, with particular attention to how consultation works in multi-country programs, and protection of the role of Indigenous Peoples' organizations and local communities in the process. No decision was taken.

The Secretariat will run a further round of written consultation and bilateral meetings, with the finalized policy package due at B.46.

Policy on Fees

The Board discussed a revised policy on fees for Accredited Entities (AEs), aimed at creating a more transparent, flexible, and differentiated framework that better reflects the costs of project implementation while strengthening support for Direct Access Entities (DAEs). The proposal sought to consolidate existing fee structures, replace fixed caps with more flexible thresholds, and introduce differentiated treatment for DAEs, particularly those operating in least developed countries (LDCs), small island developing States (SIDS), and African States. The Secretariat explained that the revised approach responds to recommendations from the Independent Evaluation Unit and is intended to better align fees with actual implementation costs while maintaining accountability and oversight.

Board members broadly welcomed the Secretariat's efforts and agreed on the need to modernize the fee policy. There was widespread support for introducing greater flexibility, recognizing the different operating contexts of accredited entities, and addressing the higher costs faced by DAEs in vulnerable countries. Many considered the revised proposal an improvement over the existing framework and appreciated the emphasis on country ownership and differentiated support. At the same time, members raised a number of substantive concerns regarding the design and implementation of the policy. A recurring issue was whether the proposed consolidation of project management costs and accredited entity fees would provide sufficient and predictable cost recovery, particularly for DAEs. Several members questioned whether the revised thresholds might inadvertently reduce available resources for essential oversight, fiduciary, environmental and social safeguards, gender requirements, and monitoring responsibilities. Many requested stronger evidence demonstrating that the proposed fee structure would improve, rather than weaken, the financial sustainability of DAEs. Another major theme was the treatment of vulnerable country categories. While there was broad support for providing enhanced flexibility for LDCs, SIDS, and African States, several Board members questioned the introduction of references to fragile and conflict-affected situations. They argued that the policy should remain closely aligned with categories established under the Governing Instrument and the UNFCCC, cautioning against introducing new classifications without clear Board guidance or internationally agreed definitions. Members also sought greater clarity on several technical aspects of the proposal, including the rationale for differentiated thresholds, the proposed limits for international accredited entities, the methodology underpinning the new fee structure, and consistency with practices across other multilateral climate funds. Many emphasized the importance of transparency, regular monitoring, and Board oversight of any adjustments made during implementation, while calling for operational guidance that minimizes administrative burdens on accredited entities.

In response, the Secretariat clarified that the proposed thresholds are intended to provide flexibility rather than fixed caps and are based on observed implementation experience across the portfolio. It also noted that project management costs and accredited entity costs would continue to be transparently reported, and that the proposed framework could be refined based on implementation experience and Board feedback.

Given the number and complexity of the outstanding issues, the Co-Chairs concluded that additional work was required before the policy could be finalized. A small group was established to seek convergence on key issues during the meeting. As consensus could not be reached, the Board agreed to invite written comments from members and to continue consideration of the revised fee policy at a future meeting.

Review of the Policy on Restructuring and Cancellation

This item was presented as a progress report, with a revised policy expected at the next Board meeting. The policy was adopted in February 2019, and the enhanced review requested at an earlier meeting covered more than six hundred restructuring requests, benchmarked against the practices of comparable funds. The central finding was that restructuring has effectively become a routine tool of ongoing portfolio management rather than an exceptional measure, while the policy and its governance arrangements have not been updated to reflect that shift. The most frequently repeated concern was that the definition of a 'major change', as distinct from a minor or non material change, remains insufficiently clear, producing unpredictability and delay in approvals. It was also noted that only accredited entities, not the Secretariat, can currently initiate a restructuring request, which can leave underperforming or stalled projects without a clear path forward.

There was substantial agreement across developed and developing country members on this item. Both groups supported clarifying the major and minor change distinction with concrete examples and firmer timelines in the operational guidance, and both were open to delegating greater authority to the Secretariat for routine, non material changes, provided this was paired with stronger accountability and regular reporting to the Board rather than reduced oversight. Developing country members placed particular emphasis on preserving country ownership through this process, asking for clearer expectations around national authority consultation, especially in multi-country programs where one participating country's withdrawal or change in circumstances creates ambiguity for the rest of the program. Several members from both groups cautioned against treating this policy as the primary cause of the Fund's low disbursement rates, describing it as one contributing factor among several, and asked the Secretariat to bring a fuller evidence based analysis of disbursement delays to the next Board meeting.

The Board took note of the review, with the revised policy due for consideration B.46.

Arrangements for the Third Formal Replenishment of the GCF

This was the most contentious item of the meeting, discussed across several sessions over multiple days. The paper under discussion, prepared by the Secretariat, was meant to be a fairly narrow procedural document, essentially launching the process for the third replenishment rather than settling any of the substantive financial questions a replenishment eventually has to answer. It proposed a replenishment period running from January 2028 through December 2031, a governance structure in which the Board retains oversight while the Secretariat supports logistics and preparation, and a schedule modeled closely on the prior replenishment, consisting of two or three consultation meetings in 2026 and 2027 followed by a high level pledging conference in the fourth quarter of 2027. It also proposed that the Board, through the Co-Chairs, appoint a chairperson or facilitator to run the consultation meetings, and it proposed, as a substantive component of replenishment arrangements, that the Board consider engaging non-traditional contributors such as private entities and philanthropic foundations, with a separate policy on contributions from these other sources to be developed for consideration at B.46.

The document for the arrangements had been revised by a small working group before reaching the floor for formal Board engagement, and this process itself was disputed. Developed country members objected that the revision, done in a closed setting, had watered down language on diversified funding sources, contributor guarantees, and the changed fiscal and geopolitical context, weakening the replenishment's ambition. Developing country members have also objected to the lack of transparency in the process itself, and were substantively skeptical of expanding the document's emphasis on diversified and non-traditional sources at all.

The dispute extended to substance as well. Developing country members wanted references to a changed global context removed and rather reframed around developed countries' continued shortfall in meeting existing obligations under the Convention and the Paris Agreement, and insisted differentiated responsibilities not be diluted. They wanted discussion of non-traditional sources, including carbon markets, capital markets, and contributor guarantees, kept out of this decision and addressed later through the policy on contributors, arguing such instruments could not be treated as approved without the Board first deciding on them. Developed country members considered broadening the contributor base and formalizing tools like guarantees essential given a shrinking donor pool. The two sides also disagreed on the facilitator, with developing countries wanting direct Board appointment, while developed countries were more open to a Secretariat or Co-Chair-led selection. Developed country members further proposed fewer, cost-effective, hybrid meetings timed around major international events to ease participation for new donors.

After extended constituency meetings and further small-group negotiation, the Board revisited the item in the final hours of the Board meeting. Developing country members maintained that the decision should remain strictly procedural, limiting it to launching the replenishment process, and that substantive matters, including the policy on contributions and on alternative funding sources, should be addressed separately at subsequent Board meetings. They have also used the moment to register broader grievances, that climate finance under the GCF is not charity or a donation but a matter of obligation under the Convention and the Paris Agreement, and that the overuse of a "changed context" should not be used to justify walking back existing commitments. Developed country members, while noting the length and difficulty of the process, supported adopting the compromise text on pragmatic grounds, in order to formally launch the replenishment, and proposed that disagreements over ambition and contributor diversification be addressed in the forthcoming policy on contributions. Both groups acknowledged unresolved differences over the strategic direction of the Fund but agreed to defer them in order to proceed.

The Board ultimately adopted the arrangements after a developing country representative requested the inclusion of a paragraph affirming that the replenishment process would be conducted in line with the principles and provisions of the Convention and the Paris Agreement.

Independent Evaluation of GCF's Approach to Gender

The Independent Evaluation Unit presented its evaluation of how the Fund's gender policy and prior Gender Action Plan had translated into results. It found that GCF has a strong policy foundation on gender, but compliance has not reliably produced strong outcomes. Gender expertise remains thin outside a small specialized team, with heavy reliance on consultants, and regional decentralization risks widening this gap. Engagement with gender-focused stakeholders remains shallow, positioning them as consultees rather than partners, and monitoring systems are not equipped to track gender results systematically. The evaluation recommended clearer institutional accountability, a dedicated gender budget with expenditure tracking, measurable indicators in USP-3 and the next Gender Action Plan, and stronger capacity building and partnerships. The Secretariat welcomed the evaluation's direction but preferred a centralized accountability model over standalone incentive mechanisms, preferred embedding tracking into existing indicators rather than a separate budget system, and did not commit to mandatory standalone reporting, noting its response had been prepared on a compressed timeline.

Board members broadly welcomed the evaluation as evidence-based, focusing discussion on moving from compliance to measurable outcomes without adding administrative burden to accredited entities, especially direct access entities, while preserving country ownership.

Updated Gender Action Plan 2026 to 2031

The Secretariat presented an update to the Gender Action Plan, developed alongside the Independent Evaluation Unit's parallel evaluation of GCF's approach to gender and shaped by extensive prior consultation, including technical sessions, webinars, and written submissions. The plan was organized around five priorities: institutional governance and accountability for gender implementation, staff and ecosystem capacity building, tracking of resource allocation and budgeting, gender markers and adaptive management, and knowledge-sharing mechanisms aligned with the UNFCCC's Belém Gender Action Plan, framed overall as a shift from a compliance-driven approach toward one focused on implementation and outcomes.

The item took several sessions to close, with the Secretariat revising the text between rounds in response to Board comments. Early support was broad but conditional. Members pushed for clearer baselines and quantified targets, for gender outcomes to be embedded explicitly in USP-3 and the results management framework, and for a formal requirement that the Secretariat implement the plan, establish baselines, and report progress to both the Board and the UNFCCC. There was also support for recognizing national gender and climate change focal points as formal partners to national authorities and accredited entities across project design, implementation, and monitoring.

The most contested issue was the plan's use of the term fragile and conflict-affected states. Developing country members objected to this language appearing anywhere in the GAP, arguing it introduces a category not grounded in the Governing Instrument or Convention. This took multiple rounds to resolve, with the Secretariat eventually removing the term throughout the document and relying instead on the vulnerability language already used in the Gender Policy. A separate, smaller concern was raised about ensuring the plan respects national constitutional and religious considerations already embedded in country ownership principles, which the Secretariat and Co-Chair confirmed had been accounted for.

Once the Secretariat confirmed the disputed language had been removed and a handful of smaller wording changes incorporated, the Board was invited to consider the decision text, and the updated Gender Action Plan was adopted.

Dates and venues of upcoming Board meetings

The Board confirmed that the next meeting will take place in Songdo, Republic of Korea from 26 to 29 October 2026. A brief discussion emerged in the Board regarding meetings in 2027 and the option to hold meetings away from the GCF headquarter in Korea. Ultimately, a decision on this question was deferred to future meetings.