



**GREEN
CLIMATE
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Meeting of the Board
25 – 28 March 2026
Songdo, Incheon, Republic of Korea
Provisional Agenda Item 15(b)

GCF/B.44/06/Add.01
4 March 2026

Management response to the Independent Evaluation of the GCF's Approach to Country Ownership

Summary

This document presents the Secretariat management response to the Independent Evaluation of the GCF's Approach to Country Ownership, undertaken by the Independent Evaluation Unit.

I. Introduction

1. The Secretariat welcomes the *Independent Evaluation of the GCF's Approach to Country Ownership* by the Independent Evaluation Unit (IEU) and thanks the IEU for its professionalism in producing this report. The IEU encouraged feedback and dialogue from the Secretariat throughout the process of evaluation, presenting webinars on methods, findings and recommendations. The Secretariat provided comments at key points in the process, and many Secretariat staff gave interviews that contributed to the findings and recommendations of this report. In accordance with the Evaluation Policy for the GCF, the Secretariat will incorporate these findings and recommendations into its decision-making, management, operations, strategies, budgets and practices.

2. The findings and recommendations of this evaluation broadly resonate with the Secretariat's experience and lessons learned from programming and projects under implementation.

II. General response to findings and recommendations

3. The Secretariat greatly appreciates the contribution from the IEU to GCF efforts to continuously strengthen country ownership. It is well aligned with the policy cycle, as the Secretariat is in an advanced stage of preparing updated country ownership guidelines and no-objection procedure as the Board instructed for the updated Strategic Plan for the GCF 2024–2027 and related decisions. The detailed insights, findings, conclusions and recommendations feed directly into this process and will be thoroughly considered for adoption in the policy. It is also of direct use for the operational practice of the Secretariat, particularly the Office of the Chief Investment Officer, which is now structured by region and subregion with the aim of being closer to countries and promoting higher degrees of country ownership. The IEU report clearly identifies the ongoing efforts (e.g. through the Readiness Strategy 2024–2027, the Readiness and Accreditation Framework and the monitoring and accountability framework) to strengthen the role and decision-making of national designated authorities (NDAs) and countries in general, and make processes and procedures more meaningful, effective and fit-for-purpose in promoting country ownership.

4. Country ownership is a complex concept, spanning dimensions of institutional effectiveness, NDA authority and capacity, and the participation of civil society, the private sector and Indigenous Peoples. Country ownership considerations directly impact all stages of GCF modalities. The GCF business model provides access to finance for national direct access entities, which is directly in service of country ownership. International delivery partners for readiness, and international accredited entities will benefit from forthcoming principles and guidelines that aim to strengthen country ownership. The observation that there is evidence of an “endogenous rise in developing countries’ ownership of development and climate finance” is encouraging.

5. The Secretariat recognizes the need for more streamlined and coherent guidance on country ownership for countries, partners and GCF. At present, efforts across Secretariat teams are directed towards ensuring consistency in decision-making and alignment with GCF programming priorities. To strengthen effectiveness and ensure clarity, these approaches are being harmonized through a consultative process to develop a principles-based policy, the overarching objective of which will be to reaffirm the central importance of country ownership and clearly define the respective roles and responsibilities of countries, partners and GCF across the stages of the GCF business cycle. Specifically, it will provide guidance on how roles evolve from investment planning and origination to programming and implementation of funded activities, including various policy tools such as readiness, accreditation, the Project Preparation Facility (PPF) and funding to investment projects. By establishing a unified, principles-based

approach, the Secretariat aims to ensure consistency, reinforce alignment with GCF programming priorities and enhance the effectiveness of country ownership in practice. A central objective of the GCF approach to country ownership is to enhance ease of access to funding while reducing the administrative burden on countries, partners and the Secretariat, and ensure that processes become not only more efficient but also more meaningful in reflecting country ownership.

6. The Secretariat acknowledges the concerns raised in the report regarding frequent changes in GCF policies, which can generate uncertainty and fatigue among partners. The Secretariat is presently preparing policy reform on country ownership that aims to address this by streamlining processes across different operational streams – such as accreditation, readiness and programming – so they are more predictable, better connected and mutually reinforcing. Greater predictability is expected once the main reform processes have been completed, with the country ownership approach serving as a cornerstone.

7. The Secretariat broadly agrees with the evaluation’s conclusions that while the principle of country ownership is firmly embedded in the GCF mandate, its operationalization can be strengthened. The evaluation highlighted challenges such as the fragmented application of country ownership across different GCF processes, capacity constraints faced by national institutions and the need for more inclusive “whole of society” engagement. These observations align with the lessons learned by the Secretariat over the first years of GCF operations. Importantly, many initiatives are already under way to address these areas, including efforts to streamline accreditation and approval procedures, enhance and better target readiness support for institutional capacity-building and foster greater engagement with stakeholders at all levels.

8. The Secretariat is committed to using the evaluation’s findings and recommendations as a road map to reinforce country ownership across GCF activities. In the responses to specific recommendations in chapter III below the Secretariat outlines concrete actions being taken or planned – such as developing a new country ownership policy, refining readiness approaches, promoting locally led action and simplifying access processes – to ensure that country ownership is more fully and effectively realized. The Secretariat will continue to work closely with the Board, countries and partners to integrate these improvements, thereby strengthening the GCF’s partnership with countries and maximizing the impact of climate finance through enhanced country ownership.

III. Response to specific recommendations

Recommendation of the Independent Evaluation Unit		Secretariat's response
1	<p>The Board should reaffirm the importance of country ownership as a guiding principle of the GCF and clarify how this principle will balance with other GCF priorities.</p> <p>Building on this foundation, the Secretariat should not only devise and implement measures to operationalize the country ownership principle but also provide normative and operational clarity to countries on roles and responsibilities.</p>	<p>Agree.</p> <p>The Secretariat acknowledges the need for streamlined guidance to countries, partners and GCF on country ownership. It understands that the current approach to country ownership can be clarified and refined to avoid inconsistencies in decision-making and to fully align GCF programming priorities with country ownership. The Secretariat aims to present updated country ownership guidelines and no-objection procedure to the Board for consideration and decision at its forty-fifth meeting (B.45) to reaffirm the importance of country ownership. This will include defining the roles and responsibilities of countries, partners and GCF in relation to readiness, PPF and the funded activities business cycles. Such roles and responsibilities vary across the different stages of investment planning, origination/programming and implementation of funded activities.</p> <p>The Secretariat also acknowledges the need for streamlined guidance on country ownership for countries, partners and GCF itself, and recognizes that current GCF programming priorities and decision-making processes may at times be misaligned.</p> <p>This updated guidelines will include clear definitions of roles and responsibilities for key stakeholders (e.g. National Designated Authorities (NDAs), accredited entities (AEs), executing entities (EEs), readiness delivery partners and the Secretariat) at each stage of the GCF project cycle, recognizing that these roles vary from upstream investment planning to project origination/programming and downstream implementation of funded activities. The Secretariat will propose refinements to the no-objection procedure to ensure meaningful engagement across the business cycle and reduce operational friction and bottlenecks at the approval stage. These steps aim to provide normative and operational clarity on country ownership, as recommended by the IEU.</p>
2	<p>Institution-building should become the cornerstone of the GCF's approach to country ownership. The Board and Secretariat should set clear expectations for national institutions and provide them with predictable, long-term readiness resources that act as both incentives</p>	<p>Partially Agree.</p> <p>Capacity-building of institutions already receives ample support from GCF to empower them to lead on climate action. The capacity development requirements are highly context-specific. Under the Readiness Strategy 2024–2027, countries take a leadership role in building their own institutions and mechanisms. This will ensure more predictable, long-term readiness support, providing sustained capacity-building</p>

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<p>and sustained support, with special urgency for the particularly vulnerable.</p>	<p>resources, especially for particularly vulnerable countries. Through this approach, readiness directly supports country ownership by enabling access through NDAs or their designated entities, thus strengthening the direct access modality. Readiness support also enhances countries' ability to access more climate finance by strengthening institutional readiness and strategic planning.</p> <p>The Readiness and Preparatory Support Programme (Readiness Programme) also prioritizes strengthening the capacities of direct access entities (DAEs) to meet accreditation standards and their ability to develop and implement impactful projects. The updated Strategic Plan for the GCF 2024–2027 aims to increase programming with DAEs, and eligible allocation of post-accreditation support to them is confirmed by the Readiness Strategy. Such capacity development for DAEs is a key part of institutional support at the country level.</p> <p>In addition, GCF liaison officers are helping to bridge communication between countries and GCF, further aligning support with national priorities and increasing the effectiveness of climate finance delivery. The Secretariat can strengthen accountability in this context by clearly articulating the roles and responsibilities expected of countries/NDAs, partners and GCF itself.</p> <p>The evaluation report elaborates further on this recommendation, suggesting that the Secretariat should “Establish minimum standards for NDA performance, covering transparency, inclusivity and coordination, while allowing flexibility for different national contexts. These standards should act as benchmarks for both accountability and support.” The Secretariat's position is that GCF does not have a mandate to establish minimum standards for NDA performance. Accordingly, the updated Country Ownership guidelines will instead articulate more clearly the roles and responsibilities of all relevant stakeholders, including NDAs, to enhance accountability across the GCF business cycle. For these reasons, the Secretariat partially agrees with this recommendation.</p> <p>Under the Readiness Strategy 2024–2027, countries are expected to report outcome-level results annually and are encouraged to undertake mid-term reviews and final evaluations at the country level. These measures will help to track country performance and the impacts of readiness support. The Secretariat will continue to monitor the effectiveness of NDA oversight and coordination through the readiness results management framework and will provide targeted feedback and support when performance gaps are identified. As an outcome from the updated monitoring and accountability framework for accredited entities (adopted in decision B.42/13), the Secretariat will improve tracking of AEs, and determine whether this tracking can help with analysing the performance of EEs (many of which are local entities). The Secretariat also recognizes that not all countries are currently equipped to perform the full range of responsibilities expected of NDAs or focal points – notably in fragile and conflict-affected states. In such</p>

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		cases, the GCF and its partners will take a more proactive role to secure these countries' access to GCF funding and to implement climate action for the benefit of their most vulnerable communities.
3	Inclusivity should be embedded as the cultural dimension of country ownership, making meaningful whole-of-society engagement the default expectation rather than a choice.	<p>Agree.</p> <p>The Secretariat is committed to ensuring inclusivity, which has translated into the design and implementation of various policies, including the Gender Policy and the Indigenous Peoples Policy, that include a cultural dimension where multi-stakeholder engagement is the foundation upon which inclusivity guides the GCF business cycle. Furthermore, inclusivity is embedded in investment planning for climate action, as it allows activities related to NDCs and national adaptation plans to include engagement across government and society. This should be led by the country. In countries experiencing institutional fragility and/or conflict, where state capacity is weak, GCF should provide focused, proactive support, including at the Readiness Programme and country platform design stage. In fragile and conflict-affected settings, where appropriate, GCF may proactively support subnational actors in engaging with federal bodies.</p> <p>The Secretariat is implementing a framework for locally led climate action to empower local actors. It emphasizes devolved decision-making, local ownership and sustainable capacity-building. Guidelines are being developed to align funding modalities with inclusive multi-stakeholder engagement. GCF aims to enhance both the scale and the quality of locally led climate initiatives, particularly through local, subnational and national institutions. The approach promotes trust, inclusivity and recognition of local leadership in climate investments.</p>

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<p>4</p> <p>To strengthen country ownership, the GCF must make access not only faster but also predictable and trusted. Addressing the perception of slowness is as critical as improving actual speed: predictability and trust reduce opportunism, encourage long-term planning, and reinforce inclusive and meaningful participation.</p>	<p>Agree.</p> <p>The Secretariat acknowledges the importance of predictability and trust, as well as speed, in GCF processes and procedures. Enhancing access to GCF finance and increasing efficiencies are key elements of the country ownership policy that is being prepared.</p> <p>The policy will seek to streamline relevant procedures to better reflect country ownership objectives, while reducing the administrative burden on countries, partners and the Secretariat. Stakeholders will be widely consulted to ensure that countries continue to play a lead role on GCF investments, including in readiness and PPF. To ensure effective and strategic decision-making, countries should be engaged early in the project cycle, following a fit-for-purpose interactive process with transparent communication and predictability, including with respect to the pipeline.</p> <p>For clarification, delays in the accreditation master agreements arise because AEs must complete all requirements for them to be effective. While the Secretariat provides guidance, final responsibility lies with AEs. Under the revised accreditation framework, accreditation master agreements are no longer required for new AEs, while those under the previous accreditation framework may opt to negotiate them, although this is not encouraged.</p>