

**Ministry of Foreign Affairs – The Department for Green Diplomacy and Climate (KLIMA)**

**Meeting in the Council for Development Policy on 20 June 2024**

Agenda Item No. 6

- 1. Overall purpose:** For discussion and recommendation to the Minister
- 2. Title:** Danish Organisation Strategy for the Green Climate Fund 2024-27
- 3. Amount:** DKK 1600 million for the period 2024-2027
- 4. Presentation for Programme Committee:** 13 May 2024
- 5. Previous Danish support presented to UPR:** 11 February 2021

# Danish Organisation Strategy for the Green Climate Fund (2024-2027)

## Introduction:

The Green Climate Fund was established in 2010 by 194 Parties to the UNFCCC, as part of the Convention's financial mechanism. GCF provides support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impact of climate change.

## GCF key results (2024- 2027 period):

- Mitigation of 1,5 to 2,4 gigatonnes of CO2 equivalent
- Enhanced resilience of 570 to 900 million people

## Justification for support:

- Fully aligned with the Danish strategy for development cooperation 'The World We Share' and the Global Climate Action Strategy: A Green and Sustainable World
- GCF has a crucial role in serving the UNFCCC and the Paris Agreement and enjoys a high degree of legitimacy with equal number of developed and developing countries in the Board
- As the largest global fund dedicated to fight climate change, GCF is solidly positioned in the international climate finance architecture, and lead contributor to ensure complementarity between the int. climate funds.
- Size and volume of GCF projects including co-financing provide greater opportunities for impact at scale.
- Initiation of an ambitious reform process by the Executive Director to address challenges around accreditation, project back-locks, disbursement rates and country ownerships.

## How will we ensure results and monitor progress:

- Active engagement in between and during Board meetings, monitor Danish priorities and progress based on GCF's results framework (IRMF).
- Actively work for a MOPAN-assessment of the GCF.
- Strategic engagement with GCF at HQ and at country level through selected embassies with GCF National Designated Authority.
- Building alliance with like-minded partners/countries.

## Risk and challenges:

- Insufficient capacity in LDCs and SIDS to develop national project proposals.
- Insufficient capacity in the GCF Secretariat to manage the increase in programming resources and number of AEs and project proposals within a reasonable timeframe.

<b>File No.</b>	2023-25376				
<b>Responsible Unit</b>	KLIMA				
	2024	2025	2026	2027	total
<b>Commitment (Mill.)</b>	250	450	450	450	1600
<b>Projected ann. Disb.</b>	250	450	450	450	1600
<b>Duration of strategy</b>	4 years (2024-2027)				
<b>Finance Act code.</b>	06.34.01.25 + 06.34.01.70				
<b>Head of Unit</b>	Karin Poulsen				
<b>Desk officer</b>	Charlotte Just				
<b>Financial officer</b>	Jacob Strange-Thomsen				

## SDGs relevant for Programme

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals	

## Budget (DKK)\*

GCF core funding	1,600,000,000
<b>Total:</b>	<b>1,600,000,000</b>

\* 2025-27 allocations are subject to annual parliamentary approval

## Danish involvement in governance structure

- Board member and shared Board seat with NL and LUX.
- Member of the Accreditation Committee.
- Member of the Constituency of Developed Countries.
- Coordination with the Nordic group and Danish observer to the Board.

## Strat. Objectives

The aim of Danish support to GCF is to reduce greenhouse gas emissions and build resilience, and increase the ability of developing countries to adapt to climate change impacts, and contribute to making global financial flows consistent with low-emission and climate-resilient development. Thereby it is a key contribution to the implementation of the Paris Agreement. GCF serves as a critical element of Denmark's ambition to increase mobilization of climate finance and take lead on climate action internationally.

## Priority results

Enhanced access to GCF resources (including accreditation)

Enhanced country ownership and efficiency of GCF support at country level

Private Sector: Promoting innovation and catalysing green financing

Strengthening safeguards and gender mainstreaming

## Core information

Established	Decision at COP15 (2009), established in 2010, operationalised 2014.
Headquarter	Songdo, Republic of Korea
Executive Director	Mafalda Duarte (since Aug. 2023)
Partner countries	194
Human Resources	300 employees – all in Songdo
Funding amount by target	50% adaptation and 50% mitigation (grant equivalent terms)
Adaptation funding going to the most vulnerable countries	54% (grant equivalent terms) (April 2024)
Results to date (anticipated, April 2024)	1 billion people with increased resilience 2,9 tonnes of CO2 equivalent avoided

**Danish Organisation Strategy**  
for  
**The Green Climate Fund**  
**2024-2027**

*31 May 2024*

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## List of Abbreviations

AE	Accredited Entity
AF	Adaptation Fund
ARCAFIM	Africa Rural Climate Adaptation Finance Mechanism
CSO	Civil Society Organisation
CIF	Climate Investment Fund
COP	Conference of the Parties
DAE	Direct Accredited Entity
DOS	Danish Organisation Strategy
EDA	Enhanced direct access
ESS	Environmental and Social Safeguards
FPIC	Free, Prior and Informed Consent
GCF	Green Climate Fund
GCF-1	Green Climate Fund 2020-2023
GEF	Global Environment Facility
GT	Giga Tonnes
GI	Governing Instrument
HQ	Headquarters
IAE	International Accredited Entity
IEU	Independent Evaluation Unit
IFAD	International Fund for Agricultural Development
IFC	International Finance Cooperation
IRM	Initial Resource Mobilization
IRMF	Integrated Results Management Framework
KEFM	Ministry of Climate, Energy and Utilities
LCD	Least Developed Countries
LTS	Long-Term Strategy
MDB	Multilateral Development Bank
MFA	Ministry of Foreign Affairs
MSME	Micro, Small and Medium Enterprises
NAP	National Adaptation Plan
NDA	National Designated Authority
NDC	National Determined Contribution
PPF	Project Preparation Facility
PPMS	Project Performance Management System
PSAA	Project-Specific Assessment Approach
PSF	Private Sector Facility
REDD	Reducing emissions from deforestation and forest degradation
RPSP	Readiness and Preparatory Support Programme
RRMF	Readiness Results Management Framework
RTT	Results Tracking Tool
SDG	Sustainable Development Goals
SIDS	Small Island Developing States
SP	Strategic Plan 2024-2027SSC Strategic Sector Support
SPR	Second Performance Review
UN	United Nations

UNFCCC	United Nations Framework Convention on Climate Change
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
USD	United States Dollars
USP	Updated Strategic Plan 2020-2023
WB IDA	World Bank's International Development Association

## 1. Objective of the Organisation Strategy

This Strategy for the cooperation between Denmark and the Green Climate Fund (GCF) forms the basis for the Danish contributions to the GCF, and it is the central platform for Denmark's dialogue and partnership with GCF. It sets up Danish priorities for GCF's performance within the overall framework established by GCF's own strategy "Strategic Plan for the Green Climate Fund 2024-2027". In addition, it outlines specific goals and results vis-à-vis the GCF that Denmark will pursue in its cooperation with the organisation. Denmark will work closely with like-minded countries towards the achievement of results through its efforts to pursue specific goals and priorities.

This formulation of the Danish Organisation Strategy 2024-2027 builds on key observations and lessons learned from the four Danish priority areas 2021-2023, analysis of GCF strengths and comparative advantages; Second Performance Review (SPR) completed by the Independent Evaluation Unit, Feb. 2023; the Mid-Term Review conducted by the MFA, June 2022; and similarly from consultations with GCF staff and stakeholders in Denmark, online meetings with selected Danish embassies, and two field visits to Uganda and Kenya between Jan.-April 2024<sup>1</sup>.

## 2. The Organisation

The Green Climate Fund (GCF) is the world's largest multilateral climate fund. As the financing mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) and a critical element of the Paris Agreement, GCF's mission is to support developing countries in raising and realising their climate ambitions towards low-emission, climate-resilient pathways. As of May 2024, GCF has committed almost USD 14 billion in funding to 253 projects in 129 developing countries.

Within a short period, GCF has become firmly positioned in the international climate finance architecture, where its size and risk appetite enable it to act as a green market accelerator. Compared to other climate finance institutions, CGF has a much wider range of financial instruments and larger ticket sizes, and compared to almost any national/multilateral financial institution, GCF's risk appetite is substantially higher regarding investing in non-mature markets and asset classes in Africa, LDCs and SIDS. GCF is a lead contributor to ensure complementarity and coherence between the various international climate funds.

The new Executive Director Mafalda Duarte has initiated an ambitious reform process with her "50by30" initiative, targeting USD 50 billion by 2030 and an internal GCF efficiency drive aiming to restructure the organisation. Both initiatives have as their main goals enhancing access to GCF funds, mobilise private sector participation and financing, and ensure stronger country ownership. The reform initiatives have been warmly welcomed by both developing and developed countries as the right strategic direction and aims for delivering solutions to key challenges like accreditation, project back-locks, disbursement rates and they have not least shown confidence that the new Director is the right leader to take GCF forward. The four priorities of the Danish Organisation Strategy for GCF are fully aligned with the vision and objectives of the reforms.

Denmark has supported the Green Climate Fund before it became operational and since then, with two executive grants. With this new grant of DKK 1,6 billion Denmark will contribute towards the GCF goal for 2024-2027 of anticipated 570-900 million people with increased resilience towards climate change and 1,5 to 2,4 GT CO<sub>2</sub> emissions avoided. Denmark's strong engagement with GCF serves as a critical element of Denmark's ambition to lead on climate action internationally and seek alliances with developing countries where Denmark has considerable political and development interests.

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<sup>1</sup> For more specific and detailed assessment see for example annex 5, 6 and 9.

## 2.1. Mandate and Mission

The Green Climate Fund (GCF) was established following decision at the 15th Conference of the Parties (COP15) under the UN Framework Convention on Climate Change (UNFCCC), which took place in Copenhagen in 2009<sup>2</sup>. In 2010, the GCF was formally set up by the 194 Parties to the UNFCCC and “accountable to and functions under the guidance of the COP”<sup>3</sup> and in 2015, the first projects were approved. The GCF is an operating entity guided by the UNFCCC and serves the Paris Agreement, but remains a legally independent institution with the GCF’s Governing Instrument setting out mandate and working methods.

GCF takes a country-driven approach, where programmes are formulated with relevant national stakeholders and objectives included in national action plans. A National Dedicated Authority (NDA), often from the Ministry of Finance, coordinates programmes and pipelines with country specific stakeholders. The Fund plays a key role in catalysing both public and private climate finance, and seeks a 50:50 balance between mitigation and adaptation investments with minimum 50 per cent of adaptation finance allocated to vulnerable countries, i.e. the Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States<sup>4</sup>.

GCF provides funding primarily through grants and loans, and to a lesser extent through equity, guarantees and seed support to partner organisations, known as Accredited Entities (AE). Application for GCF funding goes through the AEs. AEs can be either Direct Accredited Entities (DAE) comprising government institutions, national banks and CSOs or International Accredited Entities (IAE) like multilateral development banks, UN organisations, international banks and international NGOs. Funding decisions are guided by an investment framework with a set of six criteria<sup>5</sup>. All developing Country Parties to the Convention (non-annex I countries) are eligible to receive funding from the GCF.

Green Climate Fund	
<b>Established</b>	Decision at COP15, operationalised 2014, first project approved 2015
<b>HQ</b>	Songdo, Republic of Korea
<b>Executive Director</b>	Mafalda Duarte (since Aug. 2023)
<b>Board co-chairs</b>	UK/Dominican Republic
<b>Human resources</b>	Approx. 300 staff members
<b>Financial resources pledged</b>	10.3 billion USD (2014-19) 9.9 billion USD (2020-23) 13.2 billion USD (2024-27)
<b>DK contributions</b>	DKK 400 million (2014-19) DKK 800 million (2020-23)

A critical support provided by GCF is its Readiness Programme, which is the world’s largest climate capacity building programme with more than half a billion USD in commitments assisting 135 countries. The Readiness Programme supports capacity building, development of institutional frameworks, initiate programming and project development, and develop National Adaptation Plans. The NDA is also in charge of coordinating readiness support at national level.

## 2.2. Governance and Management Structure

The GCF is governed by a board of 24 members, distributed equally between developed and developing countries. Two co-chairs (one from each of the developing and developed constituencies) are elected by the board for a period of one year. The Board has full responsibility for funding decisions, oversees operation of all relevant components of the Fund, approves specific operational policies and guidelines,

<sup>2</sup> [The Copenhagen Accord](#), p. 3, para 8

<sup>3</sup> UNFCCC (2011) The Cancun Agreements: outcome of the work of the ad-hoc working group on long-term cooperative action under the Convention.

<sup>4</sup> During the GCF strategic period 2020-23, 67 per cent of adaptation funding was allocated to this particular group.

<sup>5</sup> Focusing on: 1) impact (contributing to the GCF results areas); 2) paradigm shift; 3) sustainable development potential; 4) needs of recipient countries; 5) coherence with a country’s existing policies or climate strategies; 6) the effectiveness and efficiency of the proposed intervention including its ability to leverage additional funding.



and funding for projects and programmes. The Board takes action on guidance from the Conference of the Parties (COP), and through annual reports outline its subsequent action.

Denmark shares a seat on the Board with the Netherlands and Luxembourg based on an agreed rotation scheme and priorities. Representation from Denmark at the GCF Board consists of a staff member from the MFA. Several committees, panels and groups assist the Board in decision-making, and exercise delegated authority from the Board if and when necessary (ref. GCF organogram, Annex 1). Denmark currently serves on the Accreditation Committee<sup>6</sup>. Civil society and private sector representatives participate as active observers in the three board meetings per year.

The GCF Secretariat has around 300 employees and is headed by an Executive Director appointed and accountable to the Board. When fully staffed, the GCF Secretariat will have a total of 350 staff. The GCF has no regional or national offices, though some form of regionalisation is under consideration by the Board<sup>7</sup>. Denmark considers this a positive initiative as it aims to ensure closer engagement with NDAs and AEs on project development, along with an on-the-ground presence to monitor and mitigate project risks. However, a balance between transaction costs vis-à-vis benefits is important and Denmark will closely follow GCF unfolding plans for enhanced regionalisation.

The World Bank serves as the trustee of the Fund and manages the financial assets. As the GCF has matured so has the Secretariat, where the programming of 99 per cent of GCF-1 (2020-2023) resources by end 2023 is a testimony to a well-performing body. The seven overall operational priorities outlined in the Updated Strategic Plan 2020-2023 (USP-1) have been delivered or substantially advanced<sup>8</sup>.

However, the independent evaluation of GCF-1, the so-called “Second Performance Review”<sup>9</sup> points to the Secretariat’s performance vis-à-vis the board as inconsistent though maturing, and highlights that although board members appreciate the role of the Secretariat in developing and appraising funding proposals and technical expertise, there is room for improvement concerning documents and advice to the Board. High turnover in staff is considered a contributing factor, and an ad-hoc Board committee set-up late 2023 is to address work-balance, compensation issues etc. Since early 2024, the GCF Secretariat has been going through an organisational restructuring process including establishment of new units on policy development, results management, learning and knowledge, partnerships, and re-organisation process according to geographical regions, and abolishing of middle-management. The Executive Director is expected to present in more details her plans for the restructuring process later in 2024.

## 3. Lessons Learnt, Key Strategic Challenges and Opportunities

### 3.1. Status of the GCF

Since the GCF adopted its first Strategic Plan in 2016, the operating context of the GCF has evolved significantly. The latest science has highlighted the urgency of climate action and several reports documented the climate finance gap. The Paris Agreement entered into force in 2020 and the GCF itself has moved to a more mature stage of operations, policies and partnerships with a substantial project pipeline of USD 4 billion in project proposals and USD 16 billion in concept notes end 2023.

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<sup>6</sup> Denmark expects to continue in the committee until at least end 2025 and possible until end 2028.

<sup>7</sup> A 2023-study identified 9 models for regionalization. It is estimated that under the “maximum” option, the incremental costs of setting up one regional office was preliminarily estimated to be in the range of US\$ 0.35 million to US\$ 0.9 million (GCF/B.37/Inf.13, October 2023)

<sup>8</sup> GCF/B.38/inf.01/addd.04: Final report on the implementation of the Updated Strategic Plan 2020-2023, March 2024

<sup>9</sup> GCF/B.35/07: Second Performance Review (SPR) of the Green Climate Fund: Final Report | Green Climate Fund

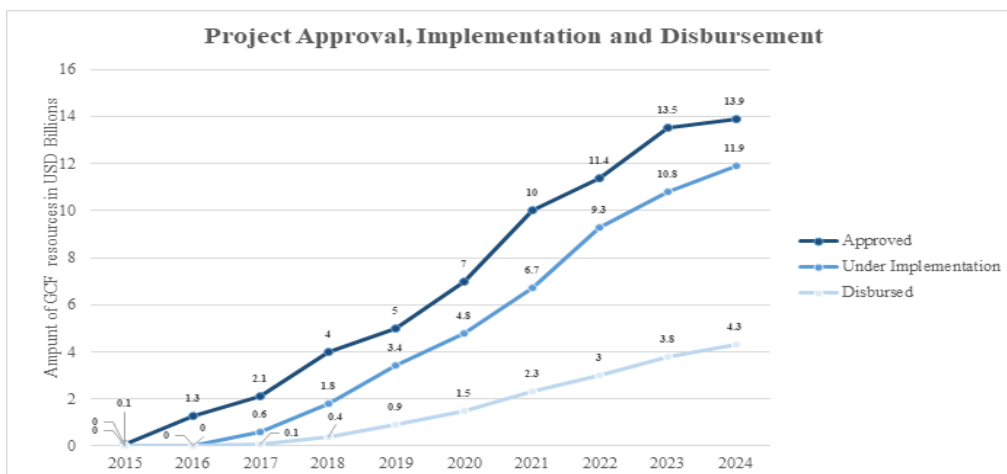
The GCF Board has so far approved 253 projects with a total value of USD 53 billion, where GCF funds constitute USD 13.9 billion. The 253 projects are located in Asia-Pacific (106), Africa (104), Latin America and Caribbean (66) and Eastern Europe (14) including 111 LCDs and 64 SIDS. The majority of projects are within livelihoods (167), health, food and water security (128), ecosystems (92), energy (73), forest (73) and infrastructure (68), 41 per cent is financed with grants, 40 per cent with loans and the remaining through equity, results-based payments, seed funding or guarantees. However, as of April 2024 GCF has only disbursed USD 4.3 billion, and even though GCF has managed to speed up in 2023 with 1 billion USD disbursed, it does not reflect the sense of urgency for climate action.

**Africa Rural Climate Adaptation Finance Mechanism (ARCAFIM)** aims to introduce a practical, widely implementable model for achieving a paradigm shift towards systematic large-scale use of private financial resources for rural climate change adaptation investments. By project completion the total outreach is estimated at about 335,000 households with 1.494 million people. The ARCAFIM ultimate beneficiaries are low-income, economically active rural households and small producers, with specific target on women and youth. As part of the Danish country programme for Uganda, ARCAFIM through IFAD is supported with USD7.3 million to catalyse up to USD90 million from the private sector for adaptation in East Africa. Total financing: GCF USD 55 million. and USD 145 million in co-financing

During the same period several examples of synergies between Danish bilateral climate efforts and GCF funding have emerged including in Uganda in relation to the ARCAFIM initiative lead by IFAD (see textbox above), in Kenya with a FAO/Danish Agriculture & Food Council lead GCF-funding proposal<sup>10</sup>, which Denmark plans to co-finance from 2025, and in Ethiopia and Brazil where Danish support is considered in relation to a forestry initiatives also supported by GCF under REDD+ (Ethiopia) and Amazonas initiative (Brazil).

During GCF-1, GCF accreditation of AEs reached 128 of which 110 signed legal arrangements and 99 AEs fully completed accreditation. The AEs are divided between 52 percent DAEs, 37 percent IAEs and 11 percent Regional AEs. In size, the AEs are divided between micro (17 percent), small (27 percent), medium (28 percent) and large AEs (28 percent).

Overall, the approved 253 projects are anticipated to lead to 1 billion people with increased resilience towards climate change and 2.9 billion tonnes of CO2 emissions avoided.



Source: GCF Dashboard, April 2024

In December 2023, GCF successfully finalized its second replenishment process with new pledges from 32 countries totalling USD 12.8 billion grant equivalent<sup>11</sup>. The amount pledged exceeded the results from

<sup>10</sup> “Transforming Livelihoods through Climate Resilient, Low Carbon, Sustainable Agricultural Value Chains in the Lake Region Economic Bloc”

<sup>11</sup> Grant equivalent is calculated based on terms in Policies for Contributions.

each of the two previous pledging rounds in 2014 and 2019 with 24 and 28 per cent respectively<sup>12</sup>. The Danish pledge of 1,6 billion DKK doubled vis-à-vis GCF-1 following the same trend as previous replenishment rounds. Denmark is the 11th largest contributor in terms of pledged amount, the fourth largest in terms of amount pledged per capita (Monaca, Luxembourg, Norway - and probably also Sweden when amount is known - being significantly larger) and overall the 12th largest contributor since the establishment of the GCF. This is still significantly lower than likeminded Sweden (no. 6), Norway (no 8) but at par with Netherlands (no 13) (see also Annex 2)<sup>13</sup>.

### 3.2 Lessons Learned 2020-2023<sup>14</sup>

This document builds on key lessons learned from various GCF evaluations, GCF Second Performance Review (2023), the Danish Mid-Term Review (2022) and consultations with stakeholders from civil society and international organisations, and stakeholders and Danish embassies in Uganda, Kenya, Rwanda (see Annex 5 for Lesson Learnt and Annex 8 for list of people consulted and list of key background documents).

#### ***GCF moved forward on key Danish strategic priorities 2021-2023***

Concerning the four priorities pursued by Denmark during 2021-2023: 1) *maximising impacts of GCF investments*, 2) *Efficiency in the Board*, 3) *country ownership*, 4) *safeguards and gender mainstreaming*, one of the most significant achievements was approval and rollout of a new improved Integrated Results Management Framework (IRMF) and Portfolio Performance Management System (PPMS). The new framework and management system are considered more robust in tracking the Fund's contributions to the goals put forward by the UNFCCC and the Paris Agreement. Given the relatively young age of GCF-projects and the long-term nature of climate impact, measurable climate effects are to date still modest<sup>15</sup>. Further and importantly from a Danish perspective, the balance between mitigation and adaptation funding was maintained during GCF-1 and a consistently high number of funding proposals approved. There was advancement on the use of guarantees<sup>16</sup>; approval of a revised Readiness Strategy 2024-2027; whereas the updated accreditation framework unfortunately fell short of addressing structural issues related to accreditation (see further below). Subsequently, the Board and Secretariat have decided to revise thoroughly the entire system and reaccreditation paused for three years in order to dedicate resources to new accreditations.

Thus, some of the initial operational and institutional challenges identified in the Danish Organisation Strategy for GCF 2021-2023 in relations to gaps in policy development, board micro management, weak results management, challenges in the institutional governance have been partly addressed and to some extent solved but nonetheless, challenges remain. The Board dynamics that previously resulted in long and difficult discussions captured by COP-dynamics have improved and more contentious issues are now planned for discussion like accreditation, letter of no-objection, salary-levels, ESS (see further below). However, as outlined in the SPR and pointed out by GCF staff and other stakeholders interviewed, GCF is still finding its way in order to manifest itself fully nationally and globally.

#### ***Governance improved despite protracted COVID-period***

During GCF-1, Denmark jointly with the Netherlands and Luxembourg supported the GCF Secretariat to ensure efficient and effective implementation of agreed policies, plans and approval of funding

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<sup>12</sup> USA and Australia returned with new pledges after absence during GCF-1, and Sweden pledged to contribute but the exact amount is not confirmed.

<sup>13</sup> Danish contribution 2016-2023 is 1,26% of total contributions for the period.

<sup>14</sup> Please refer to Annex 5 for more detailed information on the GCF Second Performance Review (2023), the Danish Mid-Term Review (2022) and the outcome of the Danish Organisation Strategy 2021-2023.

<sup>15</sup> Application of the IRMF has taken place since 2023 with around 30 new Project Completion Reports to be submitted in 2024.

<sup>16</sup> [Launch of Green Guarantee Company to mobilise billions in climate finance | Green Climate Fund](#)

proposals and entities for accreditation. The Board work was, however, significantly challenged by the Covid-19 pandemic, and from 2020 until early 2022 the board only convened virtually. It significantly affected the opportunity to build networks and alliances among and between Board members, and as also emphasised by the Second Performance Review (SPR) it affected the co-chairs' opportunity to manage individual Board members' priorities and engagements. This could have severely hampered the negotiations on the Strategic Plan 2024- 2027 and the initial discussions were difficult reflecting the split between developing and developed countries' interest stemming from both geopolitical divisions and the international climate negotiations. However, following additional in-person meetings in Paris and Bonn, the Board managed to bridge its differences and the PS approved mid-2023 as a testimony of an improved governance climate in GCF-1. Also, the 2019 agreement on simple majority voting procedure for decision-making in the absence of consensus were applied seamlessly to approval of funding proposals. In a further attempt to improve governance, the Board decided to review the mandates of committees, panels and groups under the Board by end 2024.

***Operational challenge: accreditation - a major stumbling block to access GCF funding***

The SPR highlighted that the accreditation process is perceived as protracted, insufficiently transparent, and not linked to programming. According to the Governing Instrument<sup>17</sup> access should take place through accreditation of an entity before submission of a funding proposal. The accreditation process verifies the expertise, policies, fiduciary standards etc. of applying entities and accreditation is granted for five years. GCF has no right of refusal but to continue the dialogue until the entity can live up to the criteria<sup>18</sup>. There are 99 fully accredited AEs, but with 25-35 projects approved a year, not all AEs get a funding proposal approved during the five years' accreditation period.

Thus, during the GCF-1 period work on re-accreditation exposed weaknesses in the model, emerging as a bottleneck to programming and drain on the GCF's accreditation processing capacity, without generating commensurate benefits. GCF has implemented a three-year pilot for a project-specific assessment approach (PSAA) to accreditation broadening access to GCF finance by allowing GCF to work with new partners seeking one-off, project-based engagement.

Developing countries, especially LDCs and SIDS continue to highlight access to GCF funding as a challenge citing the limited number of DAEs getting funding (24 per cent). Programming gaps at country level combined with insufficient policies and capacity or experience with climate finance among DAE candidates, have hampered the opportunity for DAEs to apply for and become accredited, or to directly access GCF funds. Some DAEs require significant external technical assistance to develop sufficiently robust project proposals<sup>19</sup>. GCF is in the process of developing a more strategic partnership approach, and engage in national programming to strengthen countries access to funds. A first problem analysis of root causes leading to access challenges has pointed to what GCF has termed "topline tension" between seeking 'gold standard' partners who are ready to

**Akamatutu'anga To Tatou Ora'anga Meitaki (ATOM), Cook Islands** (Building a healthy and resilient Cook Islands Community) implemented by the Ministry of Finance and Economic Management as direct accredited entity. ATOM aims to enhance the capacity of the health system and the climate resilience of health services in the Cook Islands. Water and food security, safety, vector-borne diseases, and heat-related illnesses are exacerbated by climate-related natural hazards such as intense cyclones and rising sea levels, and climate-related disasters disrupt healthcare services, disproportionately affecting vulnerable groups in the population. The project will further support approximately 30 communities and 22 health facilities and/or emergency centres in 12 inhabited islands of the 15 islands, including the 11 outer Pa Enea islands and the main island of Rarotonga. Total project value is 13,4 million USD with 15,900 beneficiaries.

<sup>17</sup> GI, art. 45.

<sup>18</sup> Interview with GCF staff.

<sup>19</sup> Visit to Uganda Ministry of Environment revealed that the Ministry only managed to develop a proposal due to substantial support from FAO. Many countries only have one DAE. [https://www.greenclimate.fund/about/partners/ae?ff\]=field\\_subtype:226&ff\]=field\\_subtype:227](https://www.greenclimate.fund/about/partners/ae?ff]=field_subtype:226&ff]=field_subtype:227)

meet and oversee GCF policy standards on the one hand and seeking to enhance access to GCF, increase direct access and private sector engagement on the other<sup>20</sup>. Board priority in 2023 continuing into 2024 has been to favour financing proposals with DAEs.

***Operational challenge: country ownership insufficient***

The above challenges in accreditation and access to funding have also had a reverse impact on country ownership and a country-driven approach, which is one of GCF's core principles. Even with future enhanced focus on national programming it requires significant resources from NDAs to drive national coordination with national stakeholders. Furthermore, a vast majority of GCF funding is challenged through IAEs implementing regional or Multi-Country projects, with limited coordination and engagement of national stakeholders including NDAs and DAEs<sup>21</sup>. Overall, the limited capacity of both NDAs and DAEs, and the IAE<sup>22</sup> driven project implementation continues to challenge national ownership.

In Oct. 2023, the GCF Board approved a revised Readiness Strategy 2024-2027<sup>23</sup> and revised operating modalities of the Project Preparation Facility<sup>24</sup> (PPF). The improvements toward a more integrated, country-led approach with an emphasis on programming, simplifying access to resources through multi-year budgeting is intended for country programmes to serve as the main point of origination for the GCF pipeline. The origination of a country-led GCF pipeline will underpin NCDs, NAPs and other climate strategies.

***Operational challenge: gender, indigenous peoples and ESS policies are not enough***

The GCF has positioned itself to better address gender equality and social inclusion throughout GCF-1. The GCF has strong gender and indigenous peoples policies and has made some steps to operationalize them across the organisation. A policy shift in 2019 from gender sensitivity towards the higher standard of gender responsiveness has been supported by upgrading standards and expectations for partners and documents but so far not evaluated in terms of gender outcome. While gender and indigenous peoples have dedicated policies, and the Gender Policy references “vulnerable populations”, there is less policy clarity or focus on disadvantaged populations more broadly. Furthermore, GCF-1 has fewer projects targeting women as direct beneficiaries. According to the SPR, the data on indigenous peoples is both sparse and problematic. Only 37 per cent of proposals during GCF-1 impact potentially indigenous peoples; however, only with reference to locations, in which indigenous peoples live and not necessarily targeting indigenous peoples themselves.

The GCF has so far operated based on interim environmental and social safeguards standards (ESS) adapted from the International Finance Cooperation (IFC). The Board has requested the Secretariat to present GCF-specific environmental and social safeguards latest in 2025. In 2019, the IEU conducted an evaluation of the GCFs interim ESS and found that it is imperative for the Fund to urgently develop and adopt new environmental and social safeguard standards, policies, procedures, and guidelines that align with its climate mandate and are international best practices. Major gaps in the current ESS include

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<sup>20</sup> Further analysis points to: Nascent country platforms, gaps in institutional capacity, policies & human capital (NDAs, DAEs & other stakeholders); ‘fly in/out’ support fails to build lasting capacity, multi-centric GCF partnerships model encourages origination via parallel channels, interests not always aligned, hard to navigate policies/processes, cross-communication and practical barriers (language, time-zones, proximity), overloaded accreditation function serving multiple & sometimes conflicting goals, strategic tension between seeking ‘gold standard’ partners/policies versus simplifying access, partnership model tension not distinguishing between intermediary vs project execution roles, duplicative due diligence & compliance assessments split across accreditation/AMA and FP/FAA processes – multiple process owners, no clear minimum standards & different risk cultures, complex policies with coherence issues, specifics not aligned with business model or risk tolerance

<sup>21</sup> Emphasised by NDAs in interviews.

<sup>22</sup> See also Annex 9: Out of the 13 countries included in the preparation of this document, multi-country projects comprise more than 70% of the national portfolio of GCF projects.

<sup>23</sup> <https://www.greenclimate.fund/document/readiness-strategy-2024-2027>

<sup>24</sup> <https://www.greenclimate.fund/projects/ppf>



inadequate monitoring of ESS compliance and insufficient guidelines on how funded projects should report on social and environmental outcomes.

***Operational challenge: GCF remains cumbersome for the private sector***

The GCF has a clear and compared to some climate funds like the GEF a unique mandate to promote the participation of private sector partners and to “catalyse additional public and private finance”<sup>25</sup>. The pool of AEs from the private sector however remains limited and primarily related to banks. The GCF’s business model is seen as relatively reactive with only limited engagement with private sector entities from developing countries. Furthermore, the length of project approval and legal assessment timelines, and the perceived lack of predictability by private sector actors continues to constrain private sector participation including Danish private sector partners. A tension also persists in the GCF operating model, between the principle of a country-driven approach and private sector investment processes. For example, private sector programmes – and particularly multi-country programmes – have struggled with the GCF’s restructuring and cancellation policy requirements, including the need for no-objection letters from all country NDAs.

In 2022, the Board adopted a Private Sector Strategy, which sets out how the GCF aims to catalyse private climate finance in a country-driven manner to meet developing countries’ needs and the objectives of the Strategic Plan:

- a) increased use of risk-mitigation instruments such as equity and guarantees;
- b) strengthened focus on engaging local private sector actors, including start-ups and micro- small- and medium-sized enterprises, as well as local financial institutions;
- c) brought a more intentional focus to engaging private sector partners through accreditation.

The Private Sector Strategy and reorganisation of the GCF Private Sector department positively saw the portfolio grow in volume and content during 2022-23 to 58 private sector projects totalling GCF funding of USD 5,0 billion (about 35 per cent of total GCF programming) and a portfolio value of USD 22,5 billion, private sector financing for adaptation doubled compared to the IRM, including mobilised finance from institutional investors (pension funds, insurance companies, philanthropies, and other commercial capital providers). The mobilised private finance increased significantly with an overall leveraging factor of USD 3,5 to 1 USD in GCF funding. A large part of the GCF’s private sector portfolio during the IRM was oriented towards climate mitigation especially renewable energy projects and financed by senior debt<sup>26</sup>.

### 3.3 Strategic Plan for the GCF 2024-2027 and Vision 50by30

The Strategic Plan (SP) 2024-2027 lays out GCF’s vision, strategic objectives and priorities along with the operational and institutional priorities (for the overall structure, see table 2). It builds on the implementation of the previous Strategic Plans 2016 – 2023, the SPR, and sets out the overall mission of the GCF, in line with the provisions of its Governing Instrument. The SP contains an ambitious programming and operational vision for the current phase of the GCF, which, if fully implemented, will address the vast majority of the challenges mentioned above. It focuses on 11 result areas:

- more than 100 developing countries’ climate plans (NDCs, NAPs, LTS),
- doubling the number of national DAEs with GCF funding,
- 50 to 60 developing countries particularly vulnerable to climate change protected by early warning systems,
- 190 to 280 million adopting low-emission climate-resilient agricultural and fisheries practices,

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<sup>25</sup> GI, art 41-45

<sup>26</sup> GCF: Final Report on the implementation of the Updated Strategic Plan 2020-2023

- 120 to 190 million hectares of terrestrial and marine areas conserved, restored or brought under sustainable management,
- 45 to 60 developing countries with low-emission climate resilient infrastructure,
- 20 to 30 developing countries with affordable, reliable and renewable energy,
- 18 to 25 developing countries with clean and efficient energy for transport, building and industry,
- 40-70 approved proposals for adaptation projects,
- 900 to 1500 local private sector early-stage ventures and MSMEs provided with early-stage capital for innovative climate solutions,
- 90 to 180 national and regional financial institutions access GCF/green finance.

A specific focus of the SP is to help countries better navigate in the climate finance landscape and to advance programming synergies with other climate funds. A further step taken in that direction was the COP28 launch (2023) of a joint initiative on complementarity and coherence between GCF, the Global Environment Facility (GEF), the Climate Investment Fund (CIF) and the Adaptation Fund (AF). Being a key contributor to also the NDC Partnership, GEF, CIF and AF, Denmark has several opportunities to increase dialogue and influence across the funds and contribute to coordination and knowledge exchange.

### Overall structure of the Strategic Plan 2024-2027<sup>27</sup>

AREA	FOCUS	MONITORING
UNFCCC & PARIS AGREEMENT	THE PURPOSE OF THE GCF IS TO MAKE A SIGNIFICANT AND AMBITIOUS CONTRIBUTION to the objective of the UNFCCC and the goals of the Paris Agreement through successive cycles	Progress assessed by annual reporting to the COP & CMA
LONG TERM VISION	GCF PROMOTES PARADIGM SHIFT AND IMPLEMENTATION OF THE UNFCCC AND THE PARIS AGREEMENT (a) Promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development; and (b) Support developing countries in the implementation of the UNFCCC and Paris Agreement within the evolving climate finance landscape	Progress evaluated through the Integrated Results Management Framework (IRMF) paradigm shift level
STRATEGIC DIRECTION	GCF AIMS TO ACHIEVE MILESTONE GOALS towards global pathways for 2030, with targeted results based on resourcing for 2024-27: a) Mitigation of 1.5 to 2.4 gigatonnes of CO2 equivalent b) Enhanced resilience of 570 to 900 million people	Progress measured through the Readiness Results Management Framework (RRMF) and IRMF
PROGRAMMING PRIORITIES	GCF WILL DIRECT 2024-27 PROGRAMMING toward (1) Readiness and Preparatory Support: Enhanced focus on climate programming and direct access; (2) Mitigation and Adaptation: Supporting paradigm shifts across sectors; (3) Adaptation: Addressing urgent and immediate adaptation and resilience needs; and (4) Private Sector: Promoting innovation and catalysing green financing.	mitigation/adaptation & enabling environment impact levels & supplementary tracking
MODALITIES, ACTIONS AND PARTNERSHIPS TO DELIVER PROGRAMMING	GCF WILL LEARN AND ADAPT ITS OPERATIONS guided by a core goal of enhancing access, and pursue institutional measures to calibrate its policies, processes, governance, risk management, results management and reporting and organisational capacity for successful delivery	Progress tracked through Results Tracking Tool (RTT) & work programme results framework

In September 2023, in addition to the SP, the GCF Executive Director Mafalda Duarte laid out her **50by30** vision which is a reform programme to strengthen the GCF to be able to manage a capitalisation of USD 50 billion by 2030. As emphasized: “50by30” aims to reduce unnecessary complexity and

<sup>27</sup> [Strategic Plan for the Green Climate Fund 2024–2027 | Green Climate Fund](#)

transaction costs and coalesce multiple partners around a singular vision for transformation, empowering the GCF to realise its full potential as a partner of choice for country-led climate action<sup>28</sup>.

The vision in particular focuses on:

- Enhance support for the most vulnerable people and communities.
- Mobilise private sector participation and investments.
- Reinvent the partnership model including the accreditation process.
- Expedite project review and approvals.
- Pivot operations to prioritise broad-scale, system-transforming programmes over isolated projects.

In support of her vision, the ED launched the “Efficient GCF Initiative” early 2024 with the aim of ensuring better access to the GCF funds including restructuring the Secretariat and a comprehensive review of the current project and accreditation pipeline in line with SP-priorities.

## 4. Danish support and priorities

Overall, the aim of Denmark’s support to GCF is to reduce greenhouse gas emissions and build resilience. Further, to increase the ability of developing countries to adapt to climate change impacts, and contribute to making global financial flows consistent with low-emission and climate-resilient development. Based on core funding, Denmark fully supports the mandate of GCF and in alignment with GCF strategies seek to increase the overall performance and impact of the Fund through four priorities outlined below.

### 4.1 Justification for support

GCF is still a relatively young climate fund, but as described in chapter 2 and 3, the GCF is progressively delivering on the mandate given by the UNFCCC. GCF provides a solid basis for mobilising climate finance and supporting particularly the most vulnerable countries with its focus on Africa, LDCs and SIDS. Through support for the GCF, Denmark delivers on its ambition to increase mobilization of climate finance and take a lead on climate action internationally.

The GCF is a solid platform for advancing Danish climate and development priorities because:

- As the largest global fund dedicated to fight climate change, GCF is firmly positioned in the international climate finance architecture, and lead contributor to ensure complementarity and coherence between the various international climate funds.
- GCF has a crucial role in serving the UNFCCC and the Paris Agreement and enjoys a high degree of legitimacy, as it was established by Parties to the UNFCCC with an equal number of developed and developing country seats on the Board.
- In alignment with Danish development strategies, GCF has a clear vision to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development; and to support developing countries in the implementation of the UNFCCC and Paris Agreement. The vision is further backed by the 50by30 vision, and the Efficient GCF reform initiative of the Secretariat launched recently by the new Executive Director.
- The Fund makes a critical and distinctive contribution in scaling up financing for adaptation and resilience, with a focus on those countries particularly vulnerable to the effects of climate change.

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<sup>28</sup> GCF: [Executive Director unveils “50by30” blueprint for reform, targeting USD 50 billion by 2030](#)



- As an operating entity of the financial mechanism of the UNFCCC and the Paris Agreement, GCF is a key platform for Parties to live up to the Paris Agreement by providing and scaling up climate finance to developing countries.
- The GCF contributes to the realization of most of the 17 SDGs. In view of the GCF's comparative advantages in the multilateral climate and development architecture, Denmark considers the following 8 SDG's particularly pertinent: 1. no poverty; 6. clean water and sanitation; 7. affordable and sustainable energy; 8. decent jobs and economic growth; 11. Sustainable cities and communities, 10. reduced inequalities; 13. climate action, 14. life below waters, and 15. life on land.
- GCF has been important in the support of reaching the developed countries' collective goal of mobilizing USD 100 billion in climate finance to developing countries annually from 2020 to 2025, and making all financial flows consistent with low-carbon and climate-resilient societies in line with Article 2.1c of the Paris Agreement. Similarly, the GCF constitutes a key financial mechanism under the UNFCCC for implementation of the new, collective goal on climate finance that is to be effective post 2025.

Denmark will pursue complementarity with for instance multilateral development banks (MDBs) and private sources of capital to mitigate financial risks, lower investment costs, replication of innovative approaches and scale up access to finance. To date, the multilateral climate funds have together channelled over USD 32 billion (about USD 197 billion with co-financing) of resources for climate and sustainability action in developing countries.

The enhanced and consistent Danish engagement with the GCF gives Denmark a strong and legitimate voice as a committed and serious partner since 2016, which benefits Danish (and EU) priorities and positions in climate and similar related negotiations. As such, the GCF also represents a forum for promoting strategic interests that coincide with the Danish priorities in the UNFCCC negotiations.

The GCF constitutes continuously an important platform to manifest support for instance for adaptation finance particularly to the most vulnerable developing countries, facilitate dialogue and build trust between the Parties to the UNFCCC and the Paris Agreement, and ensure complementarity with the MDBs and other climate financing mechanisms in mitigating financing risks. A recent example is "local currency"<sup>29</sup>, which following global debate is scheduled for board discussion in GCF in 2024/25<sup>30</sup>. It is also likely to be an issue under the COP29 guidance to the GCF with joint EU-positions, discussed during the WB IDA replenishment, in OECD-DAC and considered for a priority area under the new Danish Africa Strategy.

Overall, Denmark's support to the GCF is fully aligned with the objectives and priorities of the government's long-term strategy for global climate action: A Green and Sustainable World (2020) and Denmark's strategy for development cooperation and humanitarian action, The World We Share (2021). The strategy for global climate action explicitly calls for strengthen Danish engagement with GCF including around areas of strategy development and approval of funding proposals. A strong engagement with GCF serves as a critical element of Denmark's ambition to lead on climate action internationally and seek alliances with developing countries where Denmark has considerable political and development interests thereby playing a constructive role as bridge builders within the international climate agenda (further on GCF strengths and comparative advantage, see Annex 6).

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<sup>29</sup> Local currency effect = loans in dollars (for instance from GCF, MDBs etc) increases developing countries' debt burden in domestic currency term when the local currency depreciates against the dollar, thus leading to higher debt burden without providing better public services (access to water, energy, health services etc.).

<sup>30</sup> Board work plan 2024-2027

## 4.2 Danish priorities

Based on lessons learned during GCF-1, the Danish MTR, SPR and consultations with stakeholders, Denmark has four priorities for the period 2024-2027:

- i) Enhanced **access** to GCF resources (including accreditation);
- ii) Enhanced country **ownership** and efficiency of GCF support at country level;
- iii) **Private Sector**: Promoting innovation and catalysing green financing, and
- iv) **Gender** equality and social inclusion.

Denmark will thus at board, committee, country and at high-level meetings continuously emphasize and follow progress on: access, ownership, private sector, safeguards and gender in all interaction with the GCF. The four Danish priorities address the current most important barriers and opportunities to improve access for developing countries to GCF finance, ensure funding is delivered efficiently and effectively to communities who need it the most in LDCs, African states and SIDS, and support countries to translate their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and Long-term Climate Strategies (LTS) into climate investments and programming. Through the priorities, Denmark will at the same time support the organisational restructuring initiated by the Executive Director (referred to above).

The priorities have been discussed and agreed within the Netherlands, Luxembourg and Denmark board seat. The annual seat planning will track and take these priorities into account. An overview of the GCF's strategic objectives and output indicators related to the Danish priorities can be found in Annex 4.

### I. Enhancing access to GCF resources (including accreditation)

A core operational priority of the GCF's 2024-2027 Strategic Plan is the elevation of "significantly improving access" where the Board has requested the Secretariat to develop a partnerships and access strategy to clearly articulate the different pathways for enhanced access to GCF financing, and how GCF can engage a range of partners consistent with their own mandates.

Thus, as part of the GCF efficiency initiative and internal reform process, the Secretariat will undertake a comprehensive review of access in its business and operating models beyond the accreditation function, looking at deeper structural challenges associated with an unclearly defined partnership model and modalities designed to serve too many purposes. This will be underpinned by a strengthening of the GCF Secretariat (internal reform) and capacity development at country level with NDAs and DAEs. Hence, this priority is also strongly linked with the second Danish priority on enhancing country ownership and efficiency in GCF support.

Denmark's priorities for influencing the GCF's work with *enhancing access to GCF resources (including accreditation)* are:

- argue for establishing predictable and appropriate timeframes for accreditation, project approval and fund disbursement including close follow-up on disbursements;
- similarly, to reduce the median times taken during GCF-2 to process accreditation, readiness, PAP and SAP proposals from review to first disbursement, relative to GCF-1;
- argue for GCF's ability to operate in the main languages of its stakeholders, and work to make multilingualism the norm;
- argue for a reformed accreditation framework and strategy including working towards phasing out the re-accreditation mechanism;
- examine the potential for AEs to apply their own policies, while maintaining best practice and substantial equivalence to GCF policies;

- urge the GCF to strengthen engagement with countries, AEs and a diverse range of partners on the ground to understand local needs and contexts, e.g. through furthering its consideration of the needs and options including transaction costs vis-à-vis benefits for establishing a GCF regional presence to bring GCF closer to the countries it serves.
- support developing a partnerships and access strategy for consideration by the Board to clearly articulate the different pathways for enhanced access to GCF financing, and how GCF can engage a range of partners consistent with their own mandates;
- support the continued increase in the share of DAEs in the AE network, alongside increasing the role of DAEs in GCF programming; and encouraging and facilitating cooperation and learning between IAE and DAEs, as well as DAE peer learning;
- Engage with embassies in selected countries (for instance Kenya, Uganda, South Africa, Colombia, Vietnam) on improvements in DAE accreditation and approval of funding proposals, and provide feedback and influence the discussion at board level, in the accreditation committee and in direct dialogue with the GCF-Secretariat.

## **II. Enhancing country ownership and efficiency in GCF support**

The SP states that delivering GCF's strategic vision and programming objectives depend at its core on fully implementing and strengthening a country ownership approach, and thus that the GCF pipeline is guided by a country-driven prioritization of the most needed and impactful investments.

Further, with the Executive Director "efficiency GCF initiative", the GCF Secretariat will in consultation with developing countries review the current programme pipeline of a total of 20 million USD including concept notes vis-à-vis SP-priorities, and assess how proposals can become more fit for purpose and especially correspondent to priorities within national climate plans and programmes. Also, with the Secretariat restructuring, it will provide each country with one entry/focal point streamlining communication including on assessment of new financial proposals.

Denmark's priorities for influencing the GCF's work with *Enhancing country ownership and efficiency in GCF support* are:

- urge GCF to review its operational capabilities, across bodies and panels, to deliver the 2024-2027 Strategic Plan, taking account of the scale of the GCF-2 replenishment;
- closely follow how GCF will strengthen efficiency and effectiveness through adoption of a set of institutional priorities, designed to highlight remaining areas of institutional evolution;
- urge country-led climate mainstreaming, policy and NDC updates, and development of NAPs (using e.g. RPSP), follow-up with embassies on progress a country level;
- encourage synergies between Danish bilateral and GCF climate finance activities through alignment with national plans;
- support the GCF Secretariat to continuously focus on national vis-à-vis multi-country financial proposals where possible and relevant;
- support a more dynamic and inclusive approach to country ownership and strengthen country engagement throughout origination, approval and implementation;
- call on GCF to collaborate with AE partners, and promote collaboration among AEs, to structure thematically or geographically based projects and programmes that address countries' top climate needs, impact and transition priorities;
- urge further deployment of Simplified Approval Process (SAP) in order to support rapid deployment of GCF resources through micro scale mitigation and adaptation interventions;

follow-up on efficiency of the restructuring of GCF Secretariat into regional divisions with country focal points in order to enhance country ownership.

### III. Private Sector: Promoting innovation and catalysing green financing

The SP identifies private sector mobilisation as one of the four main SP-priorities during 2024-2027. GCF will optimise its risk appetite and flexible financing to engage the private sector and contribute to unlock the financial flows needed by developing countries for climate action.

Two areas of unfinished work from the USP-1 are: 1) more intentional identification and engagement with strategic investment partners to mobilize additional resources for climate action, and 2) staged development of the Private Sector Facility (PSF) modalities to better support private sector programming outcomes.

**Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP)** implemented by direct accredited entity CRDB Bank will strengthen resilience of Tanzania's agriculture sector by facilitating access to agriculture climate adaptation technologies. This will be achieved by establishing a lending and de-risking facility that will make these technologies affordable to local farmers and agricultural enterprises, accompanied by technical assistance and support from government authorities. The project will also strengthen awareness of climate threats and risk-reduction processes among government, industry actors and the financial sector. Budget USD 200 mio. Expected no. of beneficiaries 6,1 mio.

Denmark's priorities for influencing the GCF's work with *Private Sector: Promoting innovation and catalysing green financing* are:

- call on GCF to work with AEs to attract co-investors, including inter-alia the private sector, other climate funds, and development banks, to GCF-funded projects;
- call on GCF to deploy fit-for-purpose blended finance, to further catalyse private sector investments;
- call on GCF to work with developing countries to strengthen their ability to engage the private sector, particular local private sector, and build supportive investment environments for climate finance;
- call on GCF to help build climate investment capabilities of national and regional financial institutions, ensuring synergy with ongoing work of regional development banks;
- support GCF in launching request for proposals to identify promising partners and project ideas for climate solution incubators and accelerators, and also accelerators of inclusive innovation based especially on traditional, local and indigenous knowledge and practices;
- liaise with Danish embassies on country specific GCF pipelines and opportunities for furthering green Danish diplomacy and private sector engagement.

### IV. Gender equality and social inclusion

A long-term key Danish priority is advocating for gender equality and the rights of indigenous peoples in multilateral fora and as was the case under GCF-1, Denmark will continue to focus on gender equality and social inclusion during SP 2024-2027. While the GCF has strong gender and indigenous peoples policies and has taken steps to operationalize them across the organisation<sup>31</sup>, the SPR and civil society groups point to that their full and effective participation at all levels remain limited. There is still a lot to be done to ensure that the Board, Secretariat, national designated authorities (NDAs), accredited entities (AEs) and other actors fully recognise and safeguard the rights of indigenous peoples and ensure gender equality<sup>32</sup>.

<sup>31</sup> SPR, p. 116

<sup>32</sup> IWGIA, Sex og Samfund, consultation, April 2024

GCF currently supports **the countries of the Amazon Basin (Brazil, Bolivia, Colombia, Ecuador, Guyana, Peru, and Suriname)** through GCF's proposal approval process (PAP), Simplified Approval Process (SAP), REDD+ results-based payment pilot programme, and Readiness programme, as integral elements of the countries' efforts to implement the Paris Agreement and achieve the Sustainable Development Goals. GCF has committed over USD 671 million to date to nature-based solutions across the countries of the Amazon Basin, avoiding more than 327 million tonnes of anticipated CO2 and enhancing the climate resilience of more than 32 million beneficiaries including indigenous people.

Denmark's priorities for influencing the GCF's work with *gender equality and social inclusion* are:

- urge GCF to update its Environmental and Social Safeguard (ESS) standards at its earliest convenience and working to ensure that safeguards on indigenous peoples take UNDRIP<sup>33</sup> as a minimum standard for the rights of indigenous peoples, and not just the GCF Indigenous Peoples Policy;
- call on GCF to significantly expand deployment of the enhanced direct access (EDA) modality and other developed financing approaches to enable more rapid access to finance for locally-led adaptation action, engaging affected communities, civil society and indigenous peoples in delivering to the meet the needs of last mile beneficiaries;
- call on GCF to continue to advance best practice on ESS and on matters related to indigenous peoples, local communities, gender, integrity, and information disclosure;
- support indigenous peoples engagement at national and sub-national level to ensure their involvement from concept note stage including Free Prior and Informed Consent (FPIC) and throughout implementation, and where relevant that Indigenous Peoples Plans are incorporated;
- follow-up at country level on adherence to safeguards related to gender equality and indigenous peoples within GCF-projects;
- call on GCF to further mainstream gender in GCF funded activities by taking into account the implementation of the updated Lima Work Programme on Gender and its Gender Action Plan.

## 5. Budget

The Danish pledge to GCF-1 is DKK 1.600 million for the period 2024 – 2027. The below table shows the Danish contribution and timing of the appropriations. The contribution is given in the form of core support. During the initial resource mobilization (IRM) of the GCF in 2014, Denmark contributed with a total of DKK 400 million and a total of DKK 800 million during GCF-1 (2020-2023).

	2024	2025	2026	2027	Total
\$06.34.01.25	150	300	300	450	1200
\$06.34.01.70	100	150	150	0	400
<b>Total (million DKK)</b>	<b>250</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>1600</b>

### GCF Budget 2024-2027

GCF budgeting is currently done on an annual basis and the approved budget for 2024 divided between: 1) annual programming target of USD 1,75 to 2,2 billion in funding proposals approved by the Board, and 2) an annual disbursement target of USD 990 million to 1,490 million, with the intent for programming levels to be scaled up over 2025–2027. The only multi-year budget covering 2024-2027 which has been approved by the Board is on Readiness and Preparatory Support programme, where USD 501,5 million was approved for 2024 - 2027<sup>34</sup>.

<sup>33</sup> United Nations Declaration on the Rights of Indigenous Peoples, 2007

<sup>34</sup> <https://www.greenclimate.fund/decision/b37-21>

In addition, a separate allocation is approved for the Secretariat, Board and Trustee currently also on an annual basis but going ahead from the 2025-budget, there will be multi-annually budget planning (thus end-2024, the Board will be asked to approve the 2025-2027 budget).

<b>Entity</b>	<b>2024</b>
Board	5,947
Secretariat	99,962
Trustee	4,531
Total before contingency	110,439
Contingency	1,999
<b>Grand total (in USD thousands)</b>	<b>112,439</b>
Average Secretariat staff headcount	325

Annual financial statements are prepared by the GCF Secretariat, complying with the International Financial Reporting Standards (IFRS) framework. The Secretariat maintains appropriate accounting and internal control systems to enable the production of reliable financial statements. These include written policies and instructions, segregation of duties and internal checks, qualified personnel, routine audits, and oversight of the reporting process by the Ethics and Audit Committee.

An independent audit firm (Nexia Samduk), is engaged to review and provide an opinion on whether the financial statements have been prepared and presented fairly and compliant with IFRS.

## 6. Danish means of influence and monitoring

Denmark's principal entry to and engagement with the GCF governance and leadership is through the Board. The Board meets three time per year of approx. seven working days per Board meeting including formal board meeting, in-person informal Board meeting, seat and constituency consultations. In addition, high-level meetings take place at minister - executive director level about two to three times a year in the form of dedicated meetings and shorter margin talks on topical issues for instance at the COP, Climate Ministerial Meetings, World Bank Spring meetings, UN Climate Week etc. Further, effort is underway to coordinate a joint field visit between the ED and the Danish Minister for Development Cooperation and Global Climate Policy second half 2024.

MFA-KLIMA will continue its close dialogue and bilateral consultations with the GCF management team to follow-up on key Board decisions including the Executive Director's new restructuring reform. In addition to the current secondment to the GCF Secretariat, MFA-KLIMA might consider relevant secondments on an ongoing basis.

The cooperation in the shared NL/DK/LU seat is smooth and effective. As part of the recent replenishment process, the seat agreed on updated principles and division of labour to further improve the efficiency of the collaboration in the Board (see Annex 7). Overall, Denmark promotes its priorities within the seat at constituency and Board meetings, but similarly through e.g. Denmark's current membership of the GCF Accreditation Committee. Accreditation plays a critical role in improving access and ownership, two of Denmark's key priority areas. Denmark will also continue to work closely with like-minded countries. Beside the coordination with the Netherlands and Luxembourg, Denmark has in particular regular meetings and dialogues with e.g. the Nordic countries both prior to and during Board meetings, and coordinates closely with countries like Germany, UK, Switzerland, Austria, Canada. These dialogues have contributed to the Board efficiency including in regard to approval processes of financing proposals and GCF policies.

Denmark also seeks alliances with developing countries where the dialogues enhance the understanding of country specific challenges e.g. in regard to access and ownership and contribute to identify opportunity for building consensus and common decision making. A key element of this Organisation Strategy is to ensure stronger engagement and dialogue with selected developing countries (including Uganda, Kenya, South Africa, Ethiopia, Indonesia, Vietnam, Brazil, Colombia) to optimise on potential synergies and collaboration between GCF initiatives and Danish bilateral engagements. To facilitate meetings between embassies and national authorities, first and foremost the NDAs, KLIMA has prepared a template for annual status updates. These annual meetings will provide an opportunity for Danish embassies to discuss national climate finance planning, pipelines, implementation, synergies with other climate funds and access to climate financing in general. Where relevant, the Danish embassies will provide MFA-KLIMA with minutes of the meetings including a country specific status update on the progress relative to the Danish priorities which will feed into the dialogue with GCF at board meetings and Secretariat level. In preparation of the meetings, KLIMA will host virtual meetings with involved embassies once a year in particular on GCF updates, and once a year the contact group for the green funds established in KLIMA will discuss general updates and relevant issues across the green funds (GEF incl. LDCF, SCCF, GBFF, AF, CIF, L&D, UNEP) including updates to the Multilateral Climate Funds' Action Plan on Complementarity and Coherence<sup>35</sup>. Additionally, DK will explore opportunities for engagements and collaboration with the newly-formed "Africa Green Climate Finance National Designated Authorities Network (AfDAN)". AfDAN brings together African NDAs under the auspices of AU to build capacity for mobilisation and enhance ease of access of climate finance in the continent. This can be a one-stop shop for broader GCF engagements in the continent.

MFA-KLIMA will also continuously consult Danish embassies on GCF project proposals relevant for their countries in advance of Board approval. Finally, MFA-KLIMA and embassies will when possible and relevant visit selected GCF-projects as part of a continuous engagement with GCF.

Global and national alliances and collaboration with key stakeholders will play a key role e.g. in Denmark's new Africa Strategy. The aim of enhancing coordination and communication, including with a more active involvement of Danish Embassies will support Denmark's ambition to lead on climate action internationally and seek alliances with developing countries where Denmark has considerable political and development interests thereby playing a constructive role as bridge builders within the international climate agenda.

MFA-KLIMA will continue its engagement and dialogue with Danish civil society organisations (CSOs) and networks such as 92-Gruppen, Global Focus including IWGIA and Danish Family Planning Association who have observer status at GCF as well as Danish Industry, State of Green, Food Nation among others. KLIMA and representatives of Danish CSOs will discuss GCF's policies and guidelines, and monitoring on gender equality and safeguards including for marginalised and the most vulnerable people. Prior to each GCF Board meeting, MFA-KLIMA arranges dialogue meetings with key Danish stakeholders to discuss priorities and issues on the meeting agenda and receive relevant input and information from primarily Danish CSOs and the private sector.

## 6.1 Monitoring

MFA-KLIMA will monitor progress on the four Danish priorities and Danish financing through general GCF reporting procedures such as GCF annual progress and financial reports, GCF Dashboard updates, GCF audited financial statements, reviews and evaluations from the independent evaluation unit, project completion reports etc. MFA-KLIMA also make an annual stocktaking report and detailed minutes with assessment from all board meetings for general distribution including to climate front-post embassies.

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<sup>35</sup> Still in draft version and will be made available on the [GCF Board website](#) end June 2024



Please note that the traditional Danish Midterm Review of organisation strategies has in general been abolished in favour of stronger focus on MOPAN and the active use of MOPAN's in depth assessments of multilateral organisations, development banks and global funds.

Denmark agreed to become co-lead of the MOPAN assessment of GCF in 2021 and Switzerland and the UK have recently committed to be co-leads, discussions have commenced with the GCF on a tentative MOPAN assessment in 2025-2026. There has not been any prior MOPAN assessment of the GCF, and according to the GCF Governance Instrument, the Board will have to approve any independent evaluation of the GCF. As a co-lead, Denmark will support liaison between the MOPAN Secretariat and the GCF Board, enhance impact by promoting ownership of the assessment including by developing countries through applying a new inclusive assessment process approach whereby offering non-MOPAN members on the GCF Board the opportunity to participate in the MOPAN assessment, and review and contribute to assessment outcomes. Denmark will engage early in the preparation of the MOPAN assessment, in particular with a view to influencing the Terms of Reference to ensure inclusion of financial management aspects. This work underpins with the MFA's increased focus on adaptive management, and will serve as an important tool to bridge priorities between developed and developing countries in the Board.

During COP28 and as mentioned above, the GCF, AF, CIF and GEF issued a joint declaration committing to develop an ambitious and concrete action plan to enhance access to climate finance and increase the collective impact of their actions which Denmark will follow closely. Furthermore, G20 commissioned an independent review on the operations of the vertical environmental and climate funds. The Review will focus on identifying the challenges of access and opportunities for operational improvements, and potentially constitute an important input to one of the key Danish GCF priorities. The study is expected to be finalised in September 2024.

Finally, the GCF Independent Integrity Unit investigates allegations of fraud, corruption, misconduct, and other Prohibited Practices in GCF-funded activities and the GCF policy on prevention and protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment sets out the obligations for GCF Covered Individuals to prevent and respond to SEAH and to refrain from condoning, encouraging, participating in, or engaging in SEAH. The Board monitors any reported instances of allegations of misconduct.

## 6.2 Anti-corruption and integrity measures

GCF has zero-tolerance for project integrity violations (e.g., corruption, fraud, abuse, and other prohibited practices). The Board has adopted various policies addressing fraud, corruption and other prohibited practices. The Administrative Guidelines on Human Resources (decision B.08/17), refers to violations of the Fund's Anticorruption Policy (including Fraudulent Practices, Corrupt Practices or Conflicts of Interest). However, the Fund has not adopted an anticorruption policy, other than in specific policies and guidelines:

- 1) The Corporate Procurement Guidelines on the Use of Consultants and the Corporate Procurement Guidelines for Goods and Services (decision B.08/21) contains provisions to prevent corrupt, fraudulent, coercive and collusive practices, which are defined or referred to collectively as Integrity Violations. In addition, the Corporate Procurement Guidelines on the Use of Consultants provides that the Fund will not contract services from any country, organisation or individual specifically referred to in any current resolutions of the United Nations Security Council or appearing on the List of Debarred Firms of the World Bank;



- 2) The Policy on Ethics and Conflicts of Interest for the Board of the Green Climate Fund (decision B.09/03), containing provisions to prevent Prohibited Practices incl. corrupt, fraudulent, coercive, collusive and obstructive practices, as well as harassment;
- 3) The Policy on Ethics and Conflicts of Interest for External Members of the Green Climate Fund Panels and Groups (decision B.10/13), containing similar provisions on Prohibited Practices; and
- 4) The Policy on Ethics and Conflicts of Interest for the Executive Director of the Green Climate Fund (decision B.10/13), containing a general provision that the Executive Director shall maintain the highest standards of integrity in his/her personal and professional conduct and observe principles of good governance.

In addition to the policies adopted by the Board, the Secretariat has developed interim practices to address fraud, corruption and other prohibited practices, including anti-money laundering and countering the financing of terrorism (AML/CFI), in its day-to-day operations

Further and as outlined in GCF's Risk Management Framework, the Fund has robust measures to prevent, identify and manage risks end-to-end from accreditation to funding proposal review to implementation, using three lines of defence:

1. Accredited Entities and National Designated Authorities: as the first line of defence, they have primary responsibility in preventing and managing project risks. AEs are assessed against GCF fiduciary standards, environmental and social safeguards, and gender policy during the GCF accreditation process.
2. GCF Secretariat: as the second line of defence, the Secretariat conducts due diligence during both its support to and review of funding proposals, as well as during project implementation.
3. GCF Independent Integrity Unit (IIU) and Office of the Internal Auditor (OIA): as the third line of defence, the OIA and IIU take a preventive, proactive approach. The IIU conducts risk assessments and in-depth reviews of projects, providing technical support to AEs, and encouraging whistleblowing, among other measures.

## 7. Risks and assumptions

GCF systems for results, risk and knowledge management have evolved in GCF-1, most notably through the Board approval of an Integrated Results Management Framework (IRMF). As part of its accountability mechanisms, GCF has established systems to manage project risk, both upstream (before project approval) and downstream (whilst projects are being implemented). GCF's Project Risk Management System, which is anchored in its IRMF, provides an overview of these systems. Systems for risk management include GCF's accreditation process, the GCF funding proposal review process, and the Portfolio Performance Management System (PPMS). The GCF risk dashboard provides an overview of GCF's project and programme portfolio, as well as information on concentration and funding, delays, any reports of integrity or policy breaches, and financial investment risk. Overviews are updated on a quarterly basis.

The GCF has a three-level project risk management system to address integrity risks, investment risks and project-specific risks. The following nine policies are guiding the Risk Management Framework:

9 policies	Focus
Revised initial financial risk management framework.	Sets out the financial risk policies, risk monitoring and reporting, and risk governance components, as updated by the Risk Management Committee.
Revised risk register	Adopts the risk register which provides a comprehensive list of non-overlapping risk types that concern the GCF.

Risk appetite statement	Provides a statement of the levels of risk that the GCF is willing to take.
Risk dashboard	Presents an update to the risk dashboard.
Risk guidelines for funding proposals	Provides guidelines for the risk assessment of Funding Proposals and Concept Notes by GCF.
Investment risk policy	Defines the investment risk management requirements related to the risk of failure of a Funded Activity or Readiness / Project Preparation Facility (“PPF”) Proposal to deliver the expected impact, or the risk of delay or shortfall of reflows from these activities.
Non-financial risk policy	This policy describes management approach to non-financial risks and the definition of non-financial risks.
Funding risk policy	This document presents the policy governing funding risk management for the GCF.
Compliance risk policy	The compliance risk policy provides a framework to deal with compliance risks.

Denmark will monitor and mitigate the following main risks through active participation in the Board.

Risk factor	Likelihood	Impact	Risk response	Residual risk
<b>Contextual risks</b>				
Decreasing global political interest and decline in support of climate finance, especially from the USA	Likely	Major	Continued Danish green diplomacy in relevant spaces including COPs and climate summits. Building alliances and bilateral agreements	Major/minor - The outcome of the coming elections in the USA will most likely have a determining influence on global support to climate finance.
Decreasing global private sector co-financing commitment to climate co-financing	Unlikely	Major	The GCF Secretariat is developing it networks and focus on private sector AEs and potential finance institutions.	Minor – Through the GCF Board Denmark will continue efforts to enhance private sector co-financing.
<b>Programmatic risks</b>				
Insufficient resources to meet the funding demand especially for adaptation projects from LCDs and SIDS	Likely	Major	The Board has agreed to be more selective and priorities adaptation projects from LCDs and SIDS	Minor – Denmark will support the reform process initiated by the ED. Enhanced efficiency will be a mean to ensure funding, also for adaptation projects.
Insufficient capacity in LDCs and SIDS to develop national project proposals	Likely	Major	GCF will invest in strengthening of national programming and capacity building e.g. through the Readiness support and PPF.	Minor – Initiatives to support LCDs and SIDS NDAs and DAEs will be strengthened.
Competition with other funds resulting in less qualitative funding proposals	Unlikely	Minor	GCF unique position as the largest climate fund with greater opportunities for scaling and impact will continue being lucrative for AEs and others to pursue funding.	Minor – There is greater attention at COP and similar climate platforms to strengthen synergies and complementarities between climate funds.
Insufficient attention and support to most vulnerable and marginalised populations	Unlikely	Major	GCF is strengthening its policies on Environmental and Social Safeguards, SEAH and gender equality.	Minor – GCF new policies will enhance the focus on ESS, SEAH, gender equality and marginalised populations.
<b>Institutional risks</b>				
Insufficient capacity in the GCF Secretariat to manage the increase in programming resources and number of AEs and project proposals	Likely	Minor	Continued focus on organisational efficiency and support to the ED in her plans to improve capacity through a major restructuring reform.	Minor – the GCF Board including Denmark will support the reform process of the GCF initiated by the ED.

<b>Risk factor</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk response</b>	<b>Residual risk</b>
within a reasonable timeframe			Continued support to recruitment of staff up till the agreed 350 staff members.	
Decline in Board efficiency due to disagreements on strategic direction and leadership	Unlikely	Minor	GCF-1 has matured the collaboration and efficiency of the Board and the ED has sufficient leverage to address emerging disagreements.	Minor – potential disagreements will be addressed by the ED with support from the Board.

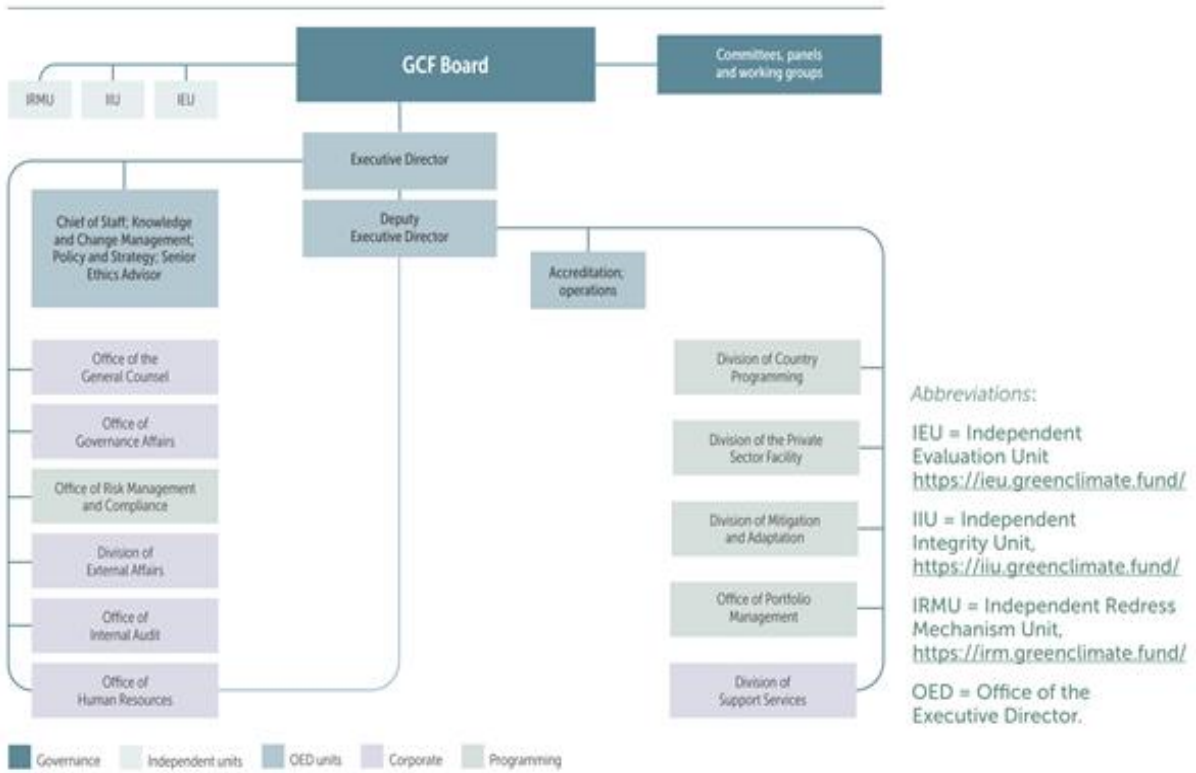
The most critical assumptions for the GCF to continue implementing impactful climate finance projects 2024-2027:

- Member countries honour their replenishment commitments for 2024-2027.
- GCF continues to provide accreditation to AEs and especially DAEs.
- AEs and DAEs are capable of developing fundable climate mitigation and adaptation project proposals.
- Board continues its currently efficient level of working with polarisation and politisation of decisions kept to a minimum.
- New results frameworks and documentation provide quality data and evidence of climate impact.
- The new restructuring process of GCF Secretariat will enhance overall efficiency and effectiveness and GCF Secretariat will maintain and strengthen its capacity to manage and administer its mandate and obligations.

# Annexes

## Annex 1 Organisation Chart

FIGURE 5. GCF STRUCTURE AND PROGRAMMING UNITS



## Annex 2 GCF 2024-2027 Contribution by State (in million USD) as of March 2024

CONTRIBUTOR	ANNOUNCED	ANNOUNCED PER CAPITA
Australia	33.8	1.3
Austria	172.9	19.12
Belgium	162.1	13.6
Bulgaria	0.1	0.02
Canada	333.7	8.57
Czechia	4	0.4
Denmark	232.2	38.3
Estonia	1.1	0.8
Finland	64.8	11.4
France	1739.6	25
Germany	2169.9	25.1
Hungary	0.3	0.03
Iceland	3.6	9.4
Ireland	43.2	8.4
Israel	0.1	0.01
Italy	324	5.5
Japan	1224.2	8.8
Liechtenstein	0.4	11.1
Luxembourg	54	81
Malta	0.4	0.8
Monaco	3.6	95.4
Mongolia	0.1	0.03
Netherlands	151.3	8,3
New Zealand	15	2.8
Norway	305.6	54.7
Portugal	4.3	0.4
Republic of Korea	300	5.8
Slovakia	2.4	0.4
Slovenia	1.6	0.7
Spain	243.1	5.9
Sweden <sup>36</sup>	0.0	0.0
Switzerland	148	16.8
United Kingdom	2000	29.5
United States	3000	8.8

**Green:** Countries that has pledged for the first time during GCF-2 (Bulgaria, Czechia, Estonia, Israel, Mongolia) and countries that have re-pledge since IRM (USA, Australia)

<sup>36</sup> Sweden has confirmed its pledge for 2024-2027 but not the actual amount.

### Annex 3 Accumulated pledges 2015 - 2024 (in million USD) as of February 2024

Ranked	Contributors	Pledges	Ranked	Contributors	Pledges
1	United Kingdom	5062.9	Cont.		
2	United States	5000	25	Czechia	9.3
3	Germany	4862.5	26	Portugal	8.1
4	France	4519.7	27	Iceland	7.4
5	Japan	4224.2	28	Slovakia	6.7
6	<b>Sweden</b>	<b>1433.7</b>	29	Hungary	5.3
7	Italy	996.3	30	Poland	3.1
8	<b>Norway</b>	<b>995.3</b>	31	Slovenia	2.7
9	Canada	836.2	32	Estonia	2.4
10	Republic of Korea	600	33	Malta	1.9
11	Spain	572.5	34	Panama	1
12	<b>Denmark</b>	<b>424.7</b>	35	Viet Nam	1
13	<b>Netherlands</b>	<b>420.2</b>	36	Colombia	0.8
14	Switzerland	398	37	Indonesia	0.8
15	Belgium	379.9	38	Liechtenstein	0.8
16	Austria	354.1	39	Cyprus	0.5
17	Finland	284.4	40	Latvia	0.5
18	Australia	221.1	41	Bulgaria	0.3
19	Luxembourg	145.8	42	Chile	0.3
20	Ireland	71.9	43	Mongolia	0.2
21	New Zealand	27.6	44	Romania	0.16
22	Russian Federation	13	45	Israel	0.1
23	Monaco	10.1	46	Lithuania	0.1
24	Mexico	10			

## Annex 4 Results Framework DOS 2024-2027

Aligned with the GCF Strategic Plan 2024-2027, the following table include the Danish priority areas, actions and means of verification

Priority area	GCF outcome and indicators	Danish actions and MoV	Inputs from Embassies
Enhanced access to GCF resources (including accreditation)	<p>Outcome: Doubling the number of DAEs with approved GCF funding proposals through strengthening climate programming capacity and increasing the allocation of GCF resources through DAEs.</p> <p>Indicator: DAEs express increased satisfaction with the engagement with and support from the GCF. Baseline: 67 no. DAEs (2024) Target: 135 no. DAE (2027) MoV: GCF Dashboard</p>	<ul style="list-style-type: none"> <li>- Active board participation and regular consultations with GCF Secretariat</li> <li>-</li> <li>- Promote prioritization of DAEs with approved GCF funding proposals at Board level</li> <li>- Active participation in the GCF Accreditation Committee also to promote pathways to access without accreditation and phasing out re-accreditation</li> <li>- Promote more targeted Readiness and Preparatory Support Programme (RPSP) and national programming</li> <li>- Annual consultations with selected Danish embassies in countries with multiple GCF projects</li> </ul>	<ul style="list-style-type: none"> <li>- Annual meeting with the NDA and DAEs regarding national planning, pipeline and access to climate financing in general</li> <li>- Provide annual updates to MFA-Climat.</li> </ul>
	<b>Outputs:</b>	GCF outputs will be monitored and addressed e.g. at relevant Board meetings.	
	Ensuring <b>predictable</b> and appropriate timeframes for accreditation, project approval and fund disbursement		
	Reducing median <b>times</b> taken during GCF-2 to process accreditation, readiness, PAP and SAP proposals from review to first disbursement, relative to GCF-1;		
	Enhancing GCF's ability to operate in the main languages of its stakeholders, working to make <b>multilingualism</b> the norm;		
	Examining potential for AEs to apply their <b>own policies</b> , while maintaining best practice and substantial equivalence to GCF policies;		
	Strengthening GCF's engagement with countries, AEs and a diverse range of partners on the ground to understand local needs and contexts, including through furthering its consideration of the needs and options for establishing a <b>GCF regional presence</b> to bring GCF closer to the countries it serves;		
	Developing a <b>partnerships and access strategy</b> for consideration by the Board to clearly articulate the different pathways for enhanced access to GCF financing, and how		

Priority area	GCF outcome and indicators	Danish actions and MoV	Inputs from Embassies
	GCF can engage a range of partners consistent with their own mandates;		
	Continuing to <b>increase the share of DAEs</b> in the AE network, alongside increasing the role of DAEs in GCF programming; and encouraging and facilitating cooperation and learning between IAE and DAEs, as well as DAE peer learning.		
	<b>Reformed accreditation framework and strategy</b> including updated MAF		
<b>Enhancing country ownership and efficiency in GCF support</b>	<p>Outcome: More than 100 dev. countries advancing implementation of their NDCs etc. through integrated climate investment planning and/or dev. project pipelines for GCF funding.</p> <p>Indicator: NDAs reporting enhanced implementation of NDCs and development of GCF pipelines Baseline: 47 no. of countries (2024) Target: +100 countries with climate (2027) investment planning MoV: GCF Annual Report and GCF Dashboard updates</p>	<ul style="list-style-type: none"> <li>- Active board participation and regular consultations with GCF Secretariat</li> <li>- Follow GCF's strengthening of country capacities and enabling environments for NDCs, NAP and LTS implementation, investment planning, and enhanced access to GCF resources.</li> <li>- Active participation in the GCF Accreditation Committee</li> <li>- Annual consultations with selected Danish embassies in countries with multiple GCF projects</li> </ul>	<ul style="list-style-type: none"> <li>- Annual meeting with the NDA and DAEs regarding national planning, pipeline and access to climate financing in general</li> <li>- Provide annual updates to MFA-Climate.</li> </ul>
	<b>Outputs:</b>	GCF outputs will be monitored and addressed e.g. at relevant Board meetings.	
	<b>Review GCF operational capabilities</b> , across bodies and panels, to deliver the 2024-2027 Strategic Plan, taking account of the scale of the GCF-2 replenishment		
	<b>Support country-led climate mainstreaming, policy and NDC updates</b> , and development of NAPs (using e.g. RPSP)		
	Evolve a <b>more dynamic and inclusive approach to country ownership</b> . To strengthen meaningful country engagement throughout origination, approval and implementation.		
	<b>Promote integrated NDC/NAP/LTS investment planning</b> through improved technical support, guidance and country programming.		
	To strengthen efficiency and effectiveness, GCF will adopt a set of institutional priorities, designed to highlight remaining areas of institutional evolution.		



Priority area	GCF outcome and indicators	Danish actions and MoV	Inputs from Embassies
	Collaborate with AE partners, and promote collaboration among AEs, to <b>structure thematically or geographically based projects and programmes that address countries' top climate needs</b> , impact and transition priorities.		
	Enhanced <b>deployment of Simplified Approval Process (SAP)</b> . To support rapid deployment of GCF resources through micro scale mitigation and adaptation interventions.		
<b>Private sector: Promoting innovation and catalysing green financing</b>	<p>Outcome:  - 900-1500 local private sector early-stage ventures and MSMEs provided with broad-based seed and early-stage capital for climate solutions, business models and technologies with a focus on adaptation, energy access and transport sectors; and  - 90-180 national and regional financial institutions supported to access GCF resources, and other green finance, particular for MSMEs.</p> <p>Indicator: GCF disbursing funding to early-stage ventures and MSMEs  Baseline: Index 0 no. of local private sector early-stage venture and MSMEs provided with capital (2024)  Target: 900-1500 local private sector early-stage venture and MSMEs provided with capital (2027)  MoV: GCF Dashboard annual updates / GCF Annual Report</p> <p>Indicator: GCF disbursing funding to national and regional financial institutions  Baselines: Index 0 no. of national and regional financial institutions supported (2024)  Target: 90-180 national and regional financial institutions supported (2027)  MoV: GCF Dashboard annual updates / GCF Annual Report</p>	<ul style="list-style-type: none"> <li>- Active board participation and regular consultations with GCF Secretariat</li> <li>- Follow GCF catalysing climate finance from the wider finance ecosystem while engaging local private sector early-stage ventures, MSMEs and national and regional financial institutions</li> <li>- Annual consultations with selected Danish embassies in countries with multiple GCF projects.- Regular consultations with Danish private sector actors e.g. DI, SoG, Food Nation Denmark</li> </ul>	<ul style="list-style-type: none"> <li>- Annual meeting with the NDA and DAEs regarding national planning, pipeline and access to climate financing in general</li> <li>- Provide annual updates to MFA-Climate.</li> </ul>
	<b>Outputs:</b>	GCF outputs will be monitored and addressed e.g. at relevant Board meetings.	
	<b>Work with AEs to attract co-investors</b> , including inter-alia the private sector, other climate funds, and development banks, to GCF-funded projects.		

Priority area	GCF outcome and indicators	Danish actions and MoV	Inputs from Embassies
	<p><b>Deploy fit-for-purpose blended finance</b>, to catalyse private sector finance. GCF will leverage its de-risking instruments for funding proposals that help scale climate solutions.</p> <p><b>Launch request for proposals</b>, through which GCF will seek to identify promising partners and project ideas for climate solution incubators and accelerators, and also accelerators of inclusive innovation based especially on traditional, local and indigenous knowledge and practices.</p>		
<b>Gender equality and social inclusion</b>	<p>The GCF will incorporate evolving understanding of just and equitable transitions pathways in line with UNFCCC and Paris Agreement discussions.</p> <p>Indicator: GCF is tracking and applying new learning in just and equitable transitions pathways. Baseline: GCF ESS standards draft from 2022 (2024) Target: Updated GCF ESS standards (2027) MoV: GCF Dashboard</p>	<ul style="list-style-type: none"> <li>- Active board participation and regular consultations with GCF Secretariat</li> <li>- Follow GCF replicate innovative and inclusive approaches, such as incubators, and accelerators for climate technologies, solutions based on local, traditional and indigenous knowledge, seed capital, and expand access to green finance.</li> <li>- Follow-up on GCF ESS reporting through the revised ESS Policy.</li> <li>- Annual consultations with selected Danish embassies in countries with multiple GCF projects.</li> <li>- Regular consultations with Danish CSO partners.</li> </ul>	<ul style="list-style-type: none"> <li>- Annual meeting with the NDA and DAEs regarding national planning, pipeline and access to climate financing in general</li> <li>- Provide annual updates to MFA-Climate.</li> </ul>
	<b>Outputs:</b>	GCF outputs will be monitored and addressed e.g. at relevant Board meetings.	
	GCF Environmental and Social Safeguard (ESS) standards updated.		
	Significantly expand <b>deployment of the enhanced direct access (EDA) modality</b> and other developed financing approaches to enable more rapid access to finance for locally-led adaptation action, engaging affected communities, civil society and indigenous peoples in delivering to the meet the needs of last mile beneficiaries.		
	Continue to <b>advance best practice on ESS</b> and on matters related to indigenous peoples (FPIC), local communities, gender, integrity, and information disclosure.		
	Further <b>mainstream gender in GCF funded activities</b> by taking into account the implementation of the updated Lima Work Programme on Gender and its Gender Action Plan.		

## Annex 5 Key Lessons learnt 2020-2023

### Key observations relative to the four Danish priority areas 2020-2023

The Danish Organisation Strategy for GCF 2021-2023 attempted to align the monitoring of its priority areas through selected GCF indicators from a revised although at the time draft Integrated Results Management Framework (IRMF). As emphasised by the GCF Second Performance Review (SPR), the GCF is still challenged in regard to documenting actual results due to the limited number of completed projects. Hence, available data and information on the specific indicators have been relatively limited.

During 2020-2023, Denmark used jointly with the Netherlands and Luxembourg its seat on the Board to support the GCF Secretariat in ensuring efficient and effective implementation of agreed policies and plans. A key function was to approve funding proposals and approving entities for accreditation. The Board work was, however, significantly challenged by the Covid-19 pandemic and most meetings were until mid-2022 conducted virtually. It significantly affected the opportunity to build networks and alliances among and between Board members, and as also emphasised by the SPR it affected the Co-Chairs' opportunity to manage individual Board members' priorities and engagements.

In particular, Denmark used Board meetings to raise and pursue the four identified priority areas of the organisation strategy. Due to the above described circumstances, it showed to be challenging to engage with substantial inputs, but as outlined below the GCF moved forward on all four priorities including:

1. **Maximising impacts of GCF investments** and a Danish focus on GCF paradigm shifts in both climate mitigation and climate adaptation efforts: Overall, 44 percent of all approved project proposals were adaptation projects, whereas in actual grant allocations the number of adaptation projects was at 54 percent. From early 2023, Denmark engaged two external consultants to support preparations for project approval at the Board by providing assessment of financing proposals related to Danish priority areas. The Board also approved and supported the rollout of the new Integrated Results Management Framework (IRMF) and its supporting guidelines, handbooks and templates to be applied. The IRMF aims at providing greater clarity on definitions and measurement methodologies for GCF's priority indicators and monitoring and assessment processes. Thereby, also ensuring that GCF financing proposals apply the same approach, and generate consistent and robust data that can be aggregated and compared across the entire GCF portfolio. The framework is designed to track the Fund's contributions to the goals put forward by the UNFCCC and the Paris Agreement.
2. **Efficiency in the Board** in terms of approval of funding proposals was consistently been high even during the two years of COVID-19 where the Board only met virtually and an average of 30 projects have been approved each year since 2016. However, the inefficiencies within the GCF project cycle management, accreditation and access, remained a key challenge<sup>37</sup>. The Board operations continued to be challenged by a spill-over in terms of complex country and group dynamics stemming from geopolitical divisions and the international climate negotiations where especially a few countries at times seem to be outliers. The split between interest of developed and developing countries in the Board diminished during 2021-2023, and simple majority voting procedure for decision-making in the absence of consensus applied to approval of funding proposals. Further, in order to improve

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<sup>37</sup> There is a currently a pipeline of 155 applicants for accreditation which the GCF Secretariat as a first step will review to confirm interest, present alternative ways of accessing GCF-funds. Further steps include development of a new strategic approach to accreditation during 2024 including if accreditation should continuously be a tool for risk management, institution building and performance assessment. The reform is seen as crucial for increasing access to GCF's funds. In the short term, the decision to streamline the accreditation process and the October 2023 decision to pause further reaccreditation of EAs for the coming three years, is showing promising results and the GCF Secretariat expects to be able to accredit 25-30 new entities in 2024.

governance, it was decided to review in 2024/25 the mandates of committees, panels and groups under the Board, including the extent to which decisions recommended by committees are adopted.

3. The Board repeatedly confirmed **country ownership** and a country-driven approach as core principles of the GCF and there are now 111 country programmes. In October 2023, the board approved a revised Readiness Strategy 2024-2027 and revised operating modalities of the Project Preparation Facility (PPF). The improvements toward a more integrated, country-led approach with an emphasis on programming, simplifying access to resources through multi-year budgeting was intended for country programmes to serve as the main point of origination for the GCF pipeline. This was designed to operate in parallel with the focus on supporting implementation of NDCs, NAPs and other climate strategies. Finally, the new readiness strategy also embedded a dedicated support window for DAEs, and PPF would continue to be geared toward advancing DAE pipeline.
4. In regard to **safeguards and gender mainstreaming**, then all projects developed Gender Action Plans and the new IRMF included gender disaggregated indicators. Although policies, action plans and standards were in place, there was still limited data available and monitoring of actual ESS compliance still work in progress for the GCF. Work on an updated ESS planned for discussion in 2023 by the Board was rescheduled due to other urgent board matters until 2025.

The GCF projects and programmes were consistently evaluated through the Independent Evaluation Unit (IEU), and by end 2023, the IEU had carried out 19 evaluations, with 4 more in pipeline<sup>38</sup>. In addition, the IEU published learning papers and participates in peer reviews.

Further to above observations, please find below an overview of key lessons learnt primarily drawn from the Second Performance Review (SPR) completed by the IEU, Feb. 2023; the Mid-Term Review conducted by the MFA, June 2022; but similarly from consultations with GCF staff and stakeholders in Denmark, online meetings with selected Danish embassies, and two field visits to Uganda and Kenya between Jan.-April 2024.

### **GCF Second Performance Review 2022-23**

The SPR emphasised that given the relatively young age of GCF-projects and the long-term nature of climate impact, climate impacts were modest to date. There were indications that results are forthcoming and although results management had been underdeveloped to serve the GCF's needs to demonstrate results as its portfolio matured, the SPR recognised the quality of the new results frameworks e.g. the IRMF, RRMF, PPMS etc.

In regard to governance, the SPR found the Board to be effective in its key functions of approving funding proposals and approving entities for accreditation. The SPR, however, raised concerns that remaining policy gaps and blurred lines between governance and management functions and authorities were impeding progress. According to the SPR, the GCF compared well to other international organisations in terms of none-state representation<sup>39</sup>, but also that stakeholders did not share a common vision for the Fund, leading to a too broad and “do it all” approach.

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<sup>38</sup> 2018 – 2024 evaluations: 5 portfolio, 8 programmes, 4 thematic, 2 performance evaluations with 4 in pipeline on indigenous people; health, well-being, food and water security result area; relevance and effectiveness of GCF's investments in Latin American and Caribbean; approach to whistleblowers and witnesses

<sup>39</sup> With 315 CSOs, 88 private sector and 76 international entities registered as partners incl. 7 from Denmark.

The SPR found that the GCF had not yet fully articulated the role that it wished to play at the country level nor the contributions expected of the Secretariat, NDA, AEs and other partners. The SPR pointed out that the GCF was still to develop a strategic approach to partnership considering NDA, AEs, civil society and private sector; and mobilising its network to achieve better strategic and coordinated programming and opportunities<sup>40</sup>. There were programming gaps at the GCF and at country levels and there were too few private sector DAEs, weak policies, low staffing and lack of experience with climate finance among DAE candidates. Consequently, there was a relatively small number of successful DAEs vis-à-vis international accredited entities (IAEs).

Furthermore, the SPR found that the GCF capacity support through Readiness and Preparatory Support Programme (RPSP) and Project Preparation Facility (PPF) were yet to show major results at scale for DAE programming. GCF readiness support and the Delivery Partner functions were not well designed to facilitate the type of long-term, institutional relationship necessary to anchor the GCF as a core national partner, and countries were struggling to identify suitable entities, and entities identified were struggling with accreditation. The approved project portfolio remains skewed towards international and regional accredited entities (IAEs) and a relatively small number of DAEs (36 entities or 14 percent) had obtained project funding via the GCF. Overall, the SPR found that the accreditation process remained protracted, inefficient and insufficiently transparent, and not linked to programming. There was a lack of vision and strategy for a manageable AE network of capable and diverse entities.

In regard to concept notes and proposals, partners continued to perceive the project appraisal and approval cycle as bureaucratic, lengthy, inconsistent and non-transparent. Although, the GCF was processing an increasing and substantial volume of concept notes and funding proposals, processing time was still an issue for partners.

The SPR also found that GCF had strong gender and indigenous peoples policies, but that it was too early to assess the results of gender equality outcomes. The SPR emphasised that there had been a decrease in the number of projects with a particular focus on women as main target group and there was less focus on vulnerable populations. Overall, there was limited data collected on indigenous people. GCF favoured projects at scale with large groups of beneficiaries, which might have hampered the focus on smaller groups of people including indigenous people.

Finally, the SPR found that the GCF approaches for entity and project risk management remained underdeveloped and under-resourced.

### **MFA Mid-Term Review of the Danish Organisation Strategy for GCF, 2021-2023**

An external Mid-Term Review (MTR) of the Danish Organisation Strategy 2021-23 for GCF was concluded by June 2022. The MTR was not an assessment of the efficiency and effectiveness of the GCF-2. Overall, the MTR found that the Organisation Strategy provided sufficient justification for the Danish engagement with the fund. However, the MTR recommended that the rationale for the next Strategy 2024-2027 should be underpinned by a more structured reflection on GCF comparative advantages vis-à-vis other funding mechanisms DK finances and in relation to funding level and type of dialogue.

The MTR also concludes that the GCF had been successful in raising financial resources although the number of participating countries has decreased from the initial 45 to 32 countries. The MTR also pointed to a relatively low disbursement rate.

The MTR recommended that the next DOS 2024-2027 included deliberations guiding the prioritisation of the Board work e.g. work efforts directed towards reviewing of funding proposals, and also

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<sup>40</sup> Partnership and access strategy is on the Board agenda for July 2024, and updated country ownership guidelines planned for decision in 2025.

considerations on engagement with the Secretariat in-between Board meetings. The MTR also pointed to the need for better use of the GCF in Danish climate diplomacy.

In regard to the reporting on the Strategy 2021-2023, the MTR recommended a stronger alignment with GCF priorities and areas of reporting and more robust indicators and risks management.

Finally, the MTR expressed concerns about the speed and execution of GCF's portfolio exemplified in a cumbersome accreditation process and long project cycle management getting funding proposals from concept stage to a first disbursement.

Both the SPR and the MTR pointed to several critical issues relevant to the Danish Organisation Strategy for GCF 2024-2027. There was a need to strengthen the speed of access to funds and to ensure that more DAEs engage and build capacities to pursue opportunities for climate financing through the GCF. Simplification of procedures and access requirements including accreditation of DAEs was needed. Denmark, the Netherlands, and Luxembourg agree that enhanced access and ownership are two key and fundamental focus areas to pursue during the coming four years.

## Annex 6 GCF strengths and comparative advantages

### 1. Introduction

The Mid-Term Review of the “Organisation Strategy for Denmark’s engagement with the GCF 2021-2023” recommended a “*reflection of GCF strengths and comparative advantages compared to other climate finance mechanisms and initiatives supported by Denmark*” to underpin the replenishment period for 2024-2027.

This comparison of the climate funds will focus on the GCF and three multilateral climate/environment organisations with similar features, i.e. GEF, CIF and AF. Although, the funds already have a close cooperation as seen lately at COP28, they also have substantial differences making it difficult to compare them 1:1. The analysis is divided into a section on “Complementarity and Coherence” looking at GCF’s collaboration and synergies with the three other funds and a section on “Strengths and Comparative Advantages” looking at GCF’s UN-mandate, governance and results.

#### 1.1 Introduction to the green funds<sup>41</sup>

##### *The Global Environment Facility - GEF*

Established in 1992, the Global Environment Facility (GEF) is a family of funds including Global Biodiversity Framework Fund (GBFF), Least Developed Countries Fund (LDCF), Special Climate Change Fund (SCCF) among others. GEF has 186 member countries dedicated to confronting biodiversity loss, climate change, pollution, and strains on land and ocean health. Its grants, blended financing and policy support help developing countries address their biggest environmental priorities and adhere to international environmental conventions. Over the past three decades, the GEF has provided more than USD25 billion and mobilized USD138 billion in co-financing for over 5,000 national, regional and global projects. GEF is an operating entity of the financial mechanism of the UNFCCC<sup>42</sup>.

##### *The Climate Investment Funds - CIF*

The Climate Investment Funds (CIF) is one of the largest multilateral climate funds in the world. It was established in 2008 to mobilize finance for low-carbon, climate-resilient development at scale in developing countries. 15 contributing countries have pledged over USD12 billion to the funds. To date CIF committed capital has mobilized more than USD64 billion in additional financing, particularly from the private sector, for investments in over 72 countries. CIF’s largescale, low-cost, long-term financing lowers the risk and cost of climate financing. It tests new business models, builds track records in unproven markets, and boosts investor confidence to unlock additional sources of finance. Recognizing the urgency of CIF’s mission, the G7 confirmed its commitment to provide up to USD2 billion in additional resources for CIF in 2021<sup>43</sup>.

##### *The Adaptation Fund - AF*

The Adaptation Fund was established in 2001 and has since 2010 committed over USD1,2 billion for over 168 climate change adaptation and resilience projects in the most vulnerable communities of developing countries around the world with over 43 million beneficiaries. AF pioneered “Direct Access” and “Enhanced Direct Access”, empowering countries to access funding and develop local projects through accredited national implementing entities<sup>44</sup>.

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<sup>41</sup> For GCF intro, see chapter 2.

<sup>42</sup> Baggrundsnotat til ministeren for udviklingsamarbejde. Overvejelser om muligt dansk engagement i Adaptation Fund, 2023.

<sup>43</sup> [CIF Contributors | Climate Investment Funds](#)

<sup>44</sup> [About \(adaptation-fund.org\)](#)

## 2. Complementarity and Coherence

As stated in the Strategic Plan 2024-2027, GCF works on complementarity and coherence within three areas:

- enhancing complementarity by aligning programming, processes, and policies with other climate funds;
- working with accredited entities to evaluate the potential to implement their own policies while adhering to best practices and substantial equivalence to the GCF policies;
- treating data as a strategic and collaborative resource that can be linked to other data sources to enhance coherence and impact in climate investment programming; and strengthening complementarity and coherence with the wider climate finance architecture.

GEF and GCF have since 2021 had a “Long-Term Vision on Complementarity, Coherence and Collaboration”. Having similar mandates, being operating entities of the UNFCCC, GCF and GEF have enhanced their collaboration over the years through organisation of Climate Finance Dialogues, Pilot Coordinated Engagement and regular exchanges at Secretariat level. GCF and GEF also collaborate around the Great Green Wall Initiative, the Amazon Initiative and SFM-REDD+.

GCF aims to enhance the partnership with AF through scaling up successful AF-programs with GCF funding and strengthening peer learning through the joint AF-GCF support for “Direct Access Entities Community of Practice”. Almost 20 of the Adaptation Fund’s projects have been scaled up by GCF. *“That is a great win-win in which both funds’ comparative advantages have been made use of the Adaptation Fund’s ability to pioneer adaptation projects, and the GCF’s ability to scale up”*<sup>45</sup>.

GCF is also exploring possibilities of synergies with CIF programming initiatives. In 2020, GCF and CIF jointly wrote a synthesis report on synergies within financial mechanisms, which found that the potential for synergies is large, and during the development of Strategic Plan 2024-2027 the GCF explored synergy opportunities with relevant programs of CIF<sup>46</sup>.

GCF, GEF, CIF and AF established in 2021 of a joint steering committee to facilitate collaboration. The funds have worked together on results, indicators, and methodologies for measuring impact to improve monitoring, evaluation, methodologies, gender mainstreaming etc. The evaluation units for each fund have met to discuss potential opportunities for synergies. The funds have also collaborated on several events and workshops. At COP28 in December 2023, GCF, GEF, CIF and AF announced that they will bring proposals to their governing bodies in the second half of 2024 with an action plan ahead to COP29 with the aim of achieving synergies within programming; monitoring, evaluation and learning; and communication and outreach<sup>47</sup>.

## 3. Strengths and Comparative Advantage

### 3.1 Strong UN-mandate

As the largest global fund dedicated to combating climate change, GCF holds a significant position within the climate finance landscape. Established by the Parties to the UNFCCC with an equitable representation of developed and developing countries on its Board, the GCF plays a pivotal role in supporting the objectives of the UNFCCC and the Paris Agreement to provide and upscale climate finance to developing

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<sup>45</sup> [Climate Funds unite to enhance access to climate finance and increase impact | Green Climate Fund](#)

<sup>46</sup> [05-annual-update-complementarity-and-coherence-gcf-b37-inf14-add02.pdf \(greenclimate.fund\)](#), p. 2

<sup>47</sup> [Enhancing access and increasing impact: the role of the multilateral climate funds | Green Climate Fund](#)



nations. With a primary focus on enhancing adaptation and resilience efforts, particularly in countries most vulnerable to climate change impacts, the Fund serves as a vital mechanism for mobilizing and amplifying financial resources.

### 3.2 Governance

The governance of GCF embodies several key strengths that make it stand out compared to other climate finance institutions.

*Gender balance:* GCF has around 300 staff members at headquarters, with a close to fifty-fifty balance between men and women and 61 nationalities. The Secretariat management consists of 15 members, where 12 are women including the Executive Director<sup>48</sup>. Out of the 22 board members, there are 9 women.

*Governing structure and influence:* GCF consists of:

- a 24-member board, organized into two constituencies, having co-chairs and committee members that are responsible for governance and oversight;
- a 15-member senior management team, which oversees and executes day to day operations;
- three independent units that facilitate accountability (see section on external evaluation and accountability).

The board composition “ensures consensus-based decisions between developed and developing countries” and brings a crucial legitimacy to GCF. The Second Performance Review (SPR) of GCF states that “GCF is perceived by its members and observers as providing more opportunity for influence in governing processes by developing country members, compared to for instance the GEF”. The board is comprised of individuals who can influence the negotiations equally. Many of the developing country board members works in ministries such as environment or climate and serve as UNFCCC climate negotiators. On the other hand, the developed country board members are from ministries such as finance or foreign affairs with fund management experience<sup>49</sup>.

Table 3-1 below includes a comparison of governance features for selected organisations.

**Table 3-1. Comparison of governance features for intergovernmental organizations**

INDICATOR	GCF	ADAPTATION FUND	GEF	UNDP	WHO	GAVI	GLOBAL FUND	WORLD BANK
Membership size	194	149	184	193	194	N/A	N/A	189
Staff or secretariat	220	18	77	7,000	8,400	732	700	16,000
Size of executive board <sup>a</sup>	24	16	32	36	34	28	28	25
Ratio of board size to membership	0.12	0.11	0.17	0.19	0.17	N/A	N/A	0.13
Frequency of board meetings	3/year (4 in 2022)	Min. 2/year (3 in 2021)	2/year	3/year	2/year	Min. 2/year (4 in 2021)	2/year	2/week
Decision-making	Consensus and voting	Consensus and voting	Consensus and voting	Consensus and voting	Consensus and voting	Consensus and voting	Voting	Majority: one dollar, one vote
Resident or non-resident board?	Non-resident	Non-resident	Non-resident	Non-resident	Non-resident	Non-resident	Non-resident	Resident
Mandated terms of office for directors	3 years, renewable	2 years, limits	3 years, renewable	3 years, renewable	3 years, renewable	No term limits <sup>b</sup>	2 years, renewable	2 years, renewable <sup>c</sup>
CEO/equiv. is ex officio member of the board? Chairman of the board?	No / No	No / No	No / Yes	No / No	Yes / No	Yes / No	No / No	No / Yes
Performance standards for CEO/equiv.?	Yes	No	Yes	No	No	Yes	Yes	No

Source: Adaptation Fund, 2008, 2021; Gavi, 2020, 2022; Global Environmental Facility, 2004, 2009, 2022, n.d.; Global Fund to Fight AIDS, Tuberculosis and Malaria, 2021, n.d.-a, n.d.-b; Green Climate Fund, 2022a, 2022b, n.d.; United Nations, 2011; United Nations Development Programme, 2022a, 2022b; World Bank, 2021, 2022a, 2022b; World Health Organization, 2020, 2022, n.d.-a, n.d.-b.

Note: <sup>a</sup> Most of these intergovernmental organizations include both stakeholders (e.g., member countries) and shareholders (e.g., donors) in their respective executive boards. The Global Fund’s executive board is composed primarily of implementers and donors. <sup>b</sup> Each eligible organization/constituency can replace its representative Board member at any time. <sup>c</sup> For elected executive directors; no term limits for appointed executive directors.

*Transparency and participation:* GCF seeks to ensure full transparency and participation especially around the decision-making process. 90 percent of Board and Secretariat survey respondents in the SPR agree that

<sup>48</sup> <https://www.greencimate.fund/about/secretariat#overview>

<sup>49</sup> [Second Performance Review of the Green Climate Fund](#), p. 24

sufficient information is made publicly available<sup>50</sup>. Thus, for instance all board meetings are live streamed and recorded for future purposes on the website. Board documents are available in real time on the website at the same time as forwarded to board members. The SPR states that the GCF compares well to e.g. GEF, CIF and AF when it comes to non-state representation, with civil society and private sector organisations institutionalised in the governance structure from the beginning<sup>51</sup>. Furthermore, it states that transparency and integrity are relatively strong in GCF, which arguably leads to a high level of accountability.

There are permanent observers from civil society and private sector organisations present with speaking rights at all board meetings. The GCF observer organisations include 322 civil society organisations, 90 private sector organisations and 76 international entities<sup>52</sup>. Compared to CIF that has 12 civil society observers, 7 private sector observers and 5 Indigenous Peoples observers, and AF that has 9 observers. The observer function in GCF highlights the focus on a broad network of civil society, indigenous peoples and local community organisations that enables collaboration across organisations and countries. Furthermore, it shows the inclusion of different and diverse set of voices to inform GCF policy and decision making processes.

GCF has integrity policies in place, supporting public accountability and transparency<sup>53</sup>, which makes GCF comparatively speaking open, inclusive and transparent with a concern for its legitimacy and trustworthiness.

*External evaluation and accountability:* The GCF is evaluated by independent evaluators and all reports are available to the public in drafts and final versions. GCF's has three different independent accountability units: Independent Integrity Unit – to investigate allegations of fraud or corruption, Independent Redress Mechanisms – to receive, evaluate and make recommendations on complaints related to the operation of the Fund, and the Independent Evaluation Unit<sup>54</sup> conducting performance incl. thematic reviews. The Independent Evaluation Unit makes evaluations based on board-approved work plans and is independent from the Secretariat.

*Governance performance and accreditation:* The SPR states that GCF's governance performance is comparable to other multilateral institutions at similar levels of organisational maturity as seen in table 3-1<sup>55</sup>. Policy decision-making has accelerated especially in the second half of GCF-1 with several key policies approved. The SPR assesses that “the Board is effective in its key functions of approving funding proposals (FPs) and approving entities for accreditation and is actively pursuing options to clarify and improve Board operations”. Accreditation in GCF has generated a very diversified network of Accredited Entities – both in terms of organisation types and scopes. GCF has a focus on “Direct Access” related to strengthening country ownership of programming and improvement of access to fund resources. GEF has 18 implementing agencies, mostly multilateral agencies and banks within the scope of climate change, where GCF's accreditation strategy is more broad, only limited by board-decisions. Currently, GCF has 113 accredited entities, including both public and private sector entities. Hereby, GCF is focused on securing a broad access to climate finance with different types of entities.

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<sup>50</sup> [Second Performance Review of the Green Climate Fund](#), p. 28

<sup>51</sup> [Second Performance Review of the Green Climate Fund](#), p. 26

<sup>52</sup> [Observers | Green Climate Fund](#)

<sup>53</sup> [Second Performance Review of the Green Climate Fund](#), p. 28

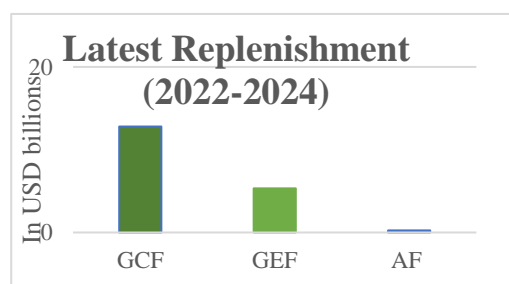
<sup>54</sup> [GCF Handbook – Decisions, policies and frameworks. As agreed by the Board of the Green Climate Fund from B.01 to B.30.](#), p. 518

<sup>55</sup> [Second Performance Review of the Green Climate Fund](#), p.23

Overall, the diversity in staffing, inclusive decision-making structures, and a commitment to transparency and accountability showcases strong governance. Its balanced board composition fosters consensus between developed and developing nations, enhancing legitimacy. GCF's emphasis on external evaluation and independent accountability units ensures integrity and efficiency in fund utilization. GCF's governance performance aligns with other multilateral institutions, while its accreditation strategy promotes broad access to climate finance. In essence, GCF's governance strengths underscore its pivotal role in advancing equitable and effective climate action globally.

#### 4. Results and volume of GCF

For GCF's second replenishment, pledges of USD12,8 billion were confirmed from 31 countries with 19 countries increasing their pledges compared to the previous period. This is USD2,8 billion more than what GCF received in the GCF-1 replenishment period<sup>56</sup>. In comparison, GEF received USD5,33 billion for GEF-8 replenishment and AF's latest contributions are around USD255 million.



GCF has committed 13,9 billion USD in investments and the size of the activity portfolio has doubled in the first two years of GCF-1<sup>57</sup>. Co-financing reached USD53 billion. GEF has accumulated more financing and co-financing being established in 1994 (GCF in 2015). Comparable to CIF, GCF has diversified geographically (Table 4). AF is a much smaller fund with less financial capacity than the others, but still has a comparably large number of projects.

Table 4 Key data comparison between GCF, GEF, CIF and AF

Funds	GCF	GEF	CIF	AF
<b>Pledged financing (Billion USD)</b>	13.9	21.7	11.2	1.2
<b>Co-financing (Billion USD) incl. pledged financing</b>	53	119.0	64.3	1.7
<b>Mobilisation factor</b>	3.5	4.5	4.7	0.4
<b>Number of projects</b>	253	5000	407	165
<b>Number of countries</b>	148	164	72	87
<b>Total disbursements (Billion USD)</b>	4.3	16.2	4.5	0.8
<b>% disbursed out of total</b>	8.1	13.6	7	46.9
<b>Mean contribution per project (Million USD)</b>	17	3.2	11.1	4.9
<b>Danish Financing (Cumulated, billion DKK)</b>	1.2	3.3	2	N/A

Source: GCF, GEF, CIF and AF websites

The vast majority of GCF initiated projects are still to reach completion. According to the SPR, many projects are making good implementation progress, and about three quarters of all projects were rated as having an overall satisfactory performance. Hereof 80 percent mitigation projects and 56 per percent adaptation projects rating satisfactory. Furthermore, GCF is likely to exceed the benchmark for mitigation<sup>58</sup>.

<sup>56</sup> <https://www.greenclimate.fund/gcf-2>

<sup>57</sup> <https://ieu.greenclimate.fund/sites/default/files/document/230406-spr-final-report-top-web-isbn.pdf>, p. 8

<sup>58</sup> <https://ieu.greenclimate.fund/sites/default/files/document/230406-spr-final-report-top-web-isbn.pdf>, P. xxi

GCF has a broader scope of financial instruments compared to AF and GEF that only uses grants; and has a relatively high risk appetite compared to AF and GEF and also has a higher average ticket size. CIF has a blend of financial instruments, including grants, contingent grants, concessional loans, equity and guarantees. As illustrated below the size and volume of GCF places GCF as a green market accelerator, with potential to scale up, comparatively to AF and GEF.

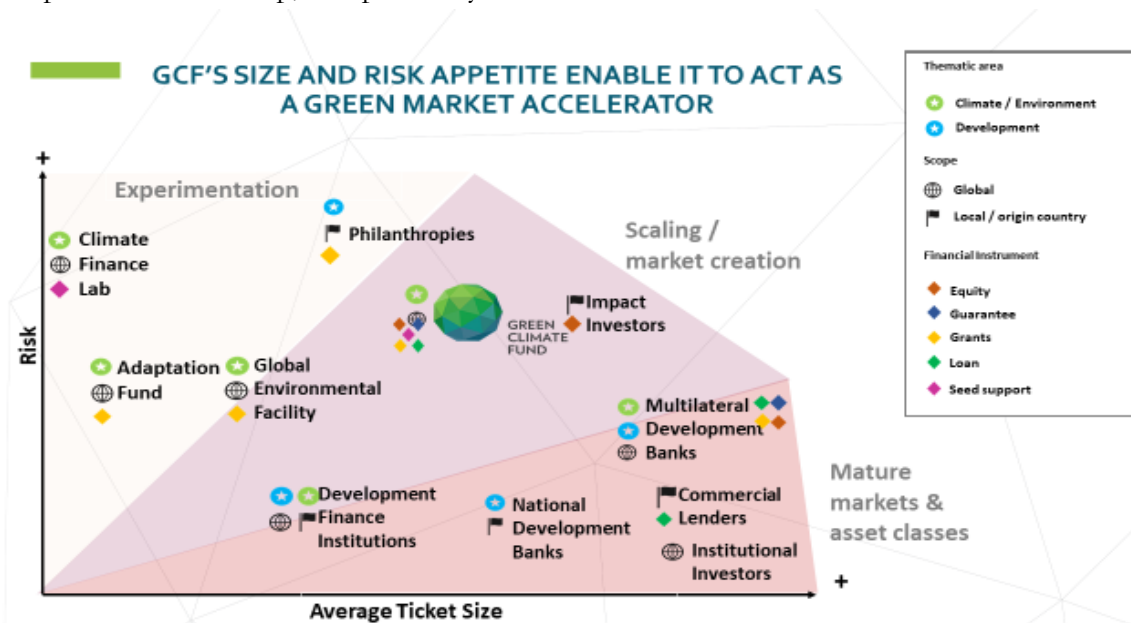


Figure 2: Source: Yannick Glemaric, Executive Director. January 2023.

GCF's diverse range of financial instruments, coupled with its higher risk appetite and average ticket size distinguishes it as a dynamic player capable of catalysing green market initiatives. In contrast, other funds like the AF and GEF primarily utilize grants, emphasizing GCF's unique approach in leveraging various financial mechanisms to drive climate action.

**Table 5 Overall comparison between the GCF, GEF, CIF and AF**

Funds	GCF	GEF	CIF	Adaptation Fund
<b>Thematic focus</b>	Cross-cutting: Mitigation (46pct.)/Adaptation (54 pct.). Cooperation for climate action, great green wall, Amazon and Early Warning Systems	Gender responsive approaches, private sector engagement, nature-based solutions. Circular economy, resilience, environmental security and behaviour change	Mitigation & Adaptation	Gender & Locally-led adaptation action
<b>Other projected results</b>	1 bl. People with increased resilience	biodiversity protection of 345 mio ha land + 170 ha marine	15.1 mio people with increased resilience	43 million beneficiaries in developing countries + 635.296 HA natural habitats preserved/restored
<b>Geographical prioritisation</b>	Minimum allocation to LDC's, SIDS and African countries - Eastern Europe: 13 - LATAM and Caribbean: 64 - Africa: 101 - Asia-pacific: 101	land allocation based on calculation, divided every 4 years. More to LDC's and SIDS in GEF-8. Africa: 682 - Asia: 509 - Latin America and Caribbean: 423 - Global: 232 - Europe and Central Asia: 185 - Regional: 15	Poorest countries primarily through SCF, the middle income countries primarily through CTF. Sub-Saharan Africa: 84 - Asia: 106 - Europe and Central Asia: 52 - Latin America and the Caribbean: 117 - Middle East and North Africa: 16	Africa: 44 - Latin America and the Caribbean: 27 - Asia-Pacific: 42 - Eastern Europe: 6 - multi: 2 (2021)
<b>Application process</b>	Accreditation system: Part in project funds: International 76%, regional 11% and national entities 13%.	GEF allocates funds every 4th year to every of the 144 receiver countries that a programmed through 18 GEF partners	MDB's are implementing partners. Access to funds id obtained by MDB-led investment plans and projects in cooperation with countries	Accreditation system.
<b>Time from concept to agreement</b>	Fastest source of climate financing in large scale projects (+250 mio USD)	For projects over 2 mio USD: Max 18 months. Under 2 mio USD: Max 12 months	MDB-led country investment plan approved max 1.5 years after invitation to tender + implementation max 1.5 years after approval.	AF is prioritising "short and efficient project development and approval cycles and expedited processing of eligible activities shall de developed"
<b>Governance</b>	24 board members 50-50 distribution of board members from developed and developing countries	32 board memebers. 18 from GEF-beneficiary countries, 14 from developed countries.	16 board members in each of CIF's boards. Equal distribution of developed and developing countries.	16 board members and 16 alternates. 69% is developing countries
<b>Fund's objectives</b>	GCF PROMOTES PARADIGM SHIFT AND IMPLEMENTATION OF THE UNFCCC AND THE PARIS AGREEMENT (a) Promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development; and (b) Support developing countries in the implementation of the UNFCCC and Paris Agreement within the evolving climate finance landscape	There is an urgent need for GEF to help transform key systems, specifically the "economics" that presently drive these systems, toward sustainability, resilience, and positive outcomes for nature. The end goal should be to halt nature loss and to ensure a nature-positive and climate-neutral pathway by the end of the decade, with a vision for bending the curve by 2030 and for substantial gains by 2050.	Accelerated transformational change and climate financing that enable progress toward net-zero emissions and adaptive, climate-resilient development pathways, in a just and socially inclusive manner	The Adaptation Fund finances projects and programmes that help vulnerable communities in developing countries adapt to climate change. Initiatives are based on country needs, views and priorities.
<b>Sector focus</b>	1) energy generation and access, 2) transport, 3) buildings, cities, industries and appliances 4) forests and land use 5) livelihoods of people and communities 6) health, food and water security 7) infrastructure and the built environment 8) ecosystems and ecosystem services	1) Biodiversity 2) Chemicals and Waste 3) Climate Change 4) International Waters 5) Land degradation 6) Ozone Depleting Substances 7) POP's 8) Multi focal area	1) Renewable energy/Energy efficiency 2) transport 3) Agriculture and landscape management/ approaches 3) Sustainable forest management 4) Water resources management 5) Infrastructure 6) Enabling environment 7) Climate information systems and disaster risk management	1) agriculture 2) Coastal Zone Management 3) Disaster risk reduction and early warning systems 4) Ecosystem based adaptation 5) Food security 6) Forests 7) Rural & Urban Development 8) Water management

**The Board of the Green Climate Fund**  
**NL-DK-LUX constituency – Principles and division of labour**  
*February 2024*

The Netherlands, Denmark and Luxembourg have shared a seat in the GCF Board since the operationalization of the fund in 2015. The first replenishment of GCF (GCF-1) covered the period 2020-2023. The second replenishment covers the period 2024-2027 and in this period, a new country seat allocation for the 24 members of the GCF Board will be decided and become effective from January, 2025. During GCF-1 NL, DK and LUX continued to share a seat in the Board. This will be the same for GCF-2. The guiding principles and division of labor for the NL-DK-LUX constituency are presented below.

Guiding principles

1. The level of representation as Board member or alternate member is linked to the cumulative contributions to the GCF and agreed rotation within the constituency is listed below. The specific date for rotation will be agreed on an ad hoc basis.
2. The constituency strives to be a highly active member of the Board according to agreed priorities both during and between Board meetings and to make contributions of high quality to the work of the GCF.
3. All three countries regardless of their position in the Board (member/alternate/advisor) contribute actively to the work of the constituency.
4. The Board member shall serve the interests of all three countries.
5. If the Board member is not able to attend a meeting, the Alternate member will step in, instead of nominating another person who is not familiar with the GCF, in order to keep continuity in the team.
6. All three countries should be given the opportunity to be a Board member and otherwise directly engage in one of the GCF committees or groups.
7. Specific priorities of the constituency will be decided based on the GCF annual work plan and will take into account national priorities of the three countries.
8. Co-ordination is sought with other constituencies from both developing and developed countries as well as with the Secretariat and implementing partners.
9. All three countries will pursue broader alliances within the Board
10. Physical seat coordination will take place one working day prior to the constituency meeting at each Board meeting.
11. The three countries aim for coordination of joint strategic priorities prior to the commencement of each new replenishment period and will annually review priorities before the first board meeting of the year.

### Division of labor

1. Well in advance of Board meetings, the Board member<sup>59</sup> is responsible for circulating a list, which indicates the division of labor for preparing instructions for all prioritized agenda items.
2. The list of division of labor will be based on the specific interests of each country and the countries' current position in the Board where the country occupying the Board seat would take on the biggest share of the burden.
3. The Board member will compile all instructions prior to Board meetings taking into consideration various positions within the constituency.
4. The Board member will coordinate and submit comments made to documents circulated for Board consultation in between meetings.
5. The Board member will in principle occupy the Board seat throughout the Board meeting but can leave the seat for the alternative for specific agenda items.
6. All three countries, irrespective of being alternate/Board member or advisor are expected to engage actively in the margins of/during Board meetings on the priorities set for that meeting, or other agenda items such as funding proposals.

### Rotation

- The rotation scheme is based on the assumption that there will be three formal Board meetings per year and thus 12 meetings in total. Exception to this rule might be in the year of approving the new Updated Strategic Plan for the next replenishment period where there might be a number of informal board meetings. If the number of formal Board meetings will change significantly during GCF-2, a change in the rotation will be discussed, taking into account the first guiding principle.
- Board seat and alternate position is based on the principle of:
  - DK and NL: 5 BM + 5ABM
  - LUX: 2 BM + 2ABM + USP informal BM

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<sup>59</sup> Where Board member is mentioned, it could also be read as his/her advisor who will undertake these actions on behalf of the Board member.

## Annex 8 List of stakeholders consulted and list of key background documents

### **List of stakeholders consulted**

#### **GCF staff (online calls)**

- Deputy Executive Director & Chief Investment Officer (CIO)
- Accreditation Operations
- Division of Country Programming
- Office of Portfolio Management
- Division of Mitigation and Adaptation
- Division of Private Sector Facility
- Chief Financial Officer and Chief Operating Officer (COO/CFO)
- Independent Evaluation Unit

#### **Consultations with Danish Embassies (online calls):**

Brazil, Burkina Faso, Colombia, Egypt, Ethiopia, Ghana, Indonesia, Mexico, Morocco, Viet Nam

#### **Field visits:**

- Kenya: Danish Embassy including Somalia Country Coordinator, Ministry of Finance (NDA), National Environmental Authority (DAE), FAO (GCF) representative - Transforming Livelihoods through Climate Resilient, Low Carbon, Sustainable Agricultural Value Chains in the Lake Region Economic Bloc, Kenya.
- Rwanda: Ministry of Environment, Green Fund, Danish Project Office, Kigali.
- Uganda: Danish Embassy, Ministry of Finance (NDA) – Climate Finance Unit, UK High Commission, Ministry of Environment and Water (DAE) – GCF project, Uganda Development Bank (in process of GCF accreditation), IFAD ARCAFIM Uganda Coordinator

#### **Stakeholders in Denmark**

- 92 Group, IWGIA, Sex & Samfund, DanChurchAid, Oxfam, Globalt Fokus, Danish Industry, State of Green, National Food Council, The Danish Agriculture & Food Council

#### **MFA GCF Task Force**

KLIMA: Karin Poulsen, Emilie Wieben, Merete Willum Pedersen, Jakob Tvede, Jens Fugl, Simon Wandel, Henning Nøhr

LÆRING: Anette Aarestrup/Hans Hessel Andersen



## **List of key background documents**

Danish Organisation Strategy for GCF 2021-2023, March 2021

Deep-dive presentation of the green climate funds to UGKM, September 2023

Danish support for GEF (DK organisation strategy for GEF 2022-26), CIF and internal MFA note on possible support to AF

Midterm review of Organisation Strategy for DK engagement with GCF 2021-23, June 2022

GCF Strategy Plan 2024-2027 (SP)

GCF Updated Strategic Plan 2020-2023 (USP-1)

Second performance review (SPR) 2020-2023

GCF-2 Replenishment

GCF Secretariat work programme and administrative budget for 2024

GCF Final Report on the Implementation of the Updated Strategic Plan 2020-2023, Feb. 2024

GCF Board Work Plan for 2024-2027

Governing Instrument for the GCF, Dec. 2011

Minutes from meeting in the Danida Council for Development Policy, 2021

Paper on DK/NL/LUX shared board principles, Feb. 2024

GCF website/dashboard including relevant GCF programme documents and publications

ODI/Heinrich Böll Stiftung: The Green Climate Fund, Feb. 2023

## Annex 9 GCF selected countries statistics and interviews with Danish embassies

Country	Total GCF finance mil. USD	No. of projects		NDAs and DAEs	Key observations from interviews
		Multi-Country	National		
Brazil	412	<b>8</b> 2 Mitigation 2 Adaptation 4 Cross-cutting	<b>2</b> 1 Mitigation 1 Cross-cutting	<b>NDA:</b> - Secretariat for International Affairs, Ministry of Finance <b>3 DAEs:</b> - Banco Nacional de Desenvolvimento Económico e Social - Caixa Económica Federal (CEF) - Fundo Brasileiro para a Biodiversidade (Funbio)	8 Readiness activities - Limited knowledge - According to Mini. Of Finance and UNDP, GCF is considered very bureaucratic with long and cumbersome application procedures, both for accreditation and application for projects. - 6 applications submitted. All rejected. - Poor ownership of Multi-Country projects, poor information and knowledge of outcomes - Brazil would like to have more local and smaller adaption projects. - GCF has no regional or country representation, and perceived to have limited knowledge of local issues. - Synergy opportunities with new forest support + SSC (energy, health and digitalisation). - Climate and security is getting more and more important (power cuts, droughts, storms). - Uncertainty about the actual accreditation of Caixa (CEF).
Burkina Faso	136,3	<b>10</b> 5 Mitigation 5 Cross-cutting	<b>2</b> 1 Mitigation 1 Adaptation	<b>NDA:</b> - Prime Ministry <b>DAEs:</b> - None!	6 Readiness activities - good knowledge – ref. detailed briefings (Sept. 2023, Feb. 2024)” - No DAEs! A Government Fond has been trying since 2021. - limited capacity in sector ministries - limited coordination between sector ministries - difficult to measure impact from Multi-Country projects - lack of ownership in Multi-Country projects - local adaptation projects needed including relative to climate and security
Colombia	292,9	<b>7</b> 4 Mitigation 2 Cross-cutting 1 Adaptation	<b>4</b> 1 Mitigation 2 Cross-cutting 1 Adaptation	<b>NDA:</b> - National Planning Department <b>2 DAES:</b> - Findeter - Fondo para la Acción Nacional y la Niñez (FondoAccion)	12 Readiness activities - Limited knowledge of GCF - Synergy opportunities with SSC and new forest support
Egypt	296,9	<b>2</b> 2 Cross-cutting	<b>2</b> 1 Mitigation 1 Adaptation	<b>NDA:</b> - Ministry of Environment <b>DAE:</b> - Attijariwafa Bank (AWB)	2 Readiness activities - Limited knowledge of GCF - Danish focus on the energy sector and the SSC with DEA - opportunities to de-risk investments, building capacity in relevant authorities, and coordination with GCF
Ethiopia	297,1	<b>6</b> 4 Mitigation 2 Cross-cutting	<b>2</b> 1 Adaptation 1 Cross-cutting	<b>NDA:</b> - Ministry of Planning and Development <b>DAEs:</b> - Ministry of Finance and Economic Cooperation	4 Readiness activities - Limited knowledge of GCF - Other donors argue that ministries lack capacity to pursue GCF funding. Often international consultants are deployed to write applications

					<ul style="list-style-type: none"> <li>- a need to make application requirements and procedures less bureaucratic and cumbersome</li> <li>- limited coordination between line ministries</li> <li>- climate and security an issue that the GCF should focus more on. Some activities through UNICEF and AU</li> <li>- More local adaptation projects needed</li> </ul>
Ghana	103,7	<p><b>5</b></p> <ul style="list-style-type: none"> <li>2 Mitigation</li> <li>1 Cross-cutting</li> <li>2 Adaptation</li> </ul>	<p><b>2</b></p> <ul style="list-style-type: none"> <li>2 Cross-cutting</li> </ul>	<p><b>NDA:</b></p> <ul style="list-style-type: none"> <li>- Ministry of Finance</li> </ul> <p><b>DAE:</b></p> <ul style="list-style-type: none"> <li>- EcoBank Ghana</li> </ul>	<ul style="list-style-type: none"> <li>5 Readiness activities</li> <li>- Limited knowledge (no interview conducted)</li> </ul>
Indonesia	476,6	<p><b>10</b></p> <ul style="list-style-type: none"> <li>4 Mitigation</li> <li>5 Cross-cutting</li> <li>1 Adaptation</li> </ul>	<p><b>3</b></p> <ul style="list-style-type: none"> <li>3 Mitigation</li> </ul>	<p><b>NDA:</b></p> <ul style="list-style-type: none"> <li>- Fiscal Policy Agency, Ministry of Finance</li> </ul> <p><b>2 DAEs:</b></p> <ul style="list-style-type: none"> <li>- Kemitraan (Partnership for Governance Reform)</li> <li>- PT Sarana Multi Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>4 Readiness activities</li> <li>- Limited knowledge of GCF</li> <li>- Focus on energy sector and the SSC with DEA</li> <li>- recommendation to give priority to GCF's partnership approach</li> <li>- strong DAEs and NDA</li> </ul>
Kenya	292.7	<p><b>17</b></p> <ul style="list-style-type: none"> <li>8 Mitigation</li> <li>6 Cross-cutting</li> <li>3 Adaptation</li> </ul>	<p><b>2</b></p> <ul style="list-style-type: none"> <li>2 Adaptation</li> </ul>	<p><b>NDA</b></p> <ul style="list-style-type: none"> <li>-The National Treasury</li> </ul> <p><b>2 NDAs</b></p> <ul style="list-style-type: none"> <li>-KCB Bank Kenya Limited</li> <li>- National Environment Management Authority of Kenya</li> </ul>	<ul style="list-style-type: none"> <li>5 Readiness activities</li> <li>-extensive knowledge of GCF, national climate plan with prioritised GCF interventions</li> <li>- GCF is considered bureaucratic with long and cumbersome application procedures, both for accreditation and application for projects.</li> <li>- Poor ownership of Multi-Country projects, poor information and knowledge of outcomes</li> <li>- need for better intergov. coordination and readiness support</li> <li>- limited capacity at DAE National Environment Management Authority of Kenya to prepare project proposals - dependent on external TA support</li> <li>- FAO project: Transforming Livelihoods through Climate Resilient, Low Carbon, Sustainable Agricultural Value Chains in the Lake Region Economic Bloc, Kenya, experiencing severe delays in GCF reviewing and approving the project.</li> </ul>
Mexico	79	<p><b>7</b></p> <ul style="list-style-type: none"> <li>3 Mitigation</li> <li>2 Cross-cutting</li> <li>2 Adaptation</li> </ul>	<p><b>1</b></p> <ul style="list-style-type: none"> <li>1 Cross-cutting</li> </ul>	<p><b>NDA:</b></p> <ul style="list-style-type: none"> <li>- Ministry of Finance and Public Credit (SHCP), Unit for Public Credit</li> </ul> <p><b>2 DAEs:</b></p> <ul style="list-style-type: none"> <li>- Fondo Mexicano para la Conservación de la Naturaleza</li> <li>- Nacional Financiera, Banca de Desarrollo (Nafin)</li> </ul>	<ul style="list-style-type: none"> <li>4 Readiness activities</li> <li>- Limited knowledge</li> <li>- Synergy opportunities in energy sector with SSC</li> <li>- need for better coordination e.g. in the energy sector among national and international actors. Limited capacity in sector ministries might hamper coordination as well as Mexico's opportunities to access GCF funding.</li> </ul>
Morocco	259,5	<p><b>8</b></p> <ul style="list-style-type: none"> <li>4 Mitigation</li> <li>4 Cross-cutting</li> </ul>	<p><b>3</b></p> <ul style="list-style-type: none"> <li>2 Adaptation</li> <li>1 Cross-cutting</li> </ul>	<p><b>NDA:</b></p> <ul style="list-style-type: none"> <li>- Ministry of Energy Transition and Sustainable Development</li> </ul> <p><b>4 DAEs:</b></p> <ul style="list-style-type: none"> <li>- Agency for Agricultural Development of Morocco</li> <li>- Attijariwafa Bank (AWB)</li> </ul>	<ul style="list-style-type: none"> <li>8 Readiness activities</li> <li>- Limited knowledge of GCF</li> <li>- Focus on SSC with Danish EPA but limited coordination from Ministry of Environment relative to other activities in the energy sector</li> <li>- Energy SSC in pipeline – possible synergies with GCF</li> <li>- water and access to water is the most important</li> </ul>

				- CDG Capital S.A. - Moroccan Agency for Sustainable Energy (MASEN)	
Rwanda	214.3	<b>9</b> 3 Adaptation 3 Mitigation 3 Cross-cutting	<b>4</b> 4 cross-cutting	<b>NDA:</b> -Rwanda Environment Management Authority <b>DAE</b> -Ministry of Environment	8 Readiness projects - Very good knowledge and one of the first countries to get GCF-support - only positive remarks reg. ease of access to funding - strong country ownership also to multi-country projects - engaged with close connection to GCF Secretariat - possible synergy with SSC
Uganda	no info on website	<b>12</b> 2 Adaptation 6 Mitigation 4 Cross-cutting	<b>1</b> 1 Adaptation	<b>NDA:</b> -Ministry of Finance, Planning and Economic Development - Ministry of Water and Environment, Uganda	2 Readiness projects - Engaged with NDA and Climate Finance Unit - Contributing to the development of Uganda Private Sector Strategy on National Climate Finance - Bilateral support to ACARFIM (GCF project) - possible synergy with SSC - limited capacity in national entities (NDA, DAE) - Uganda Development Bank applying for accreditation
Viet Nam	146	<b>0</b>	<b>3</b> 1 Mitigation 1 Adaptation 1 Cross-cutting	<b>NDA:</b> - Ministry of Planning and Investment <b>DAE:</b> - Vietnam Development Bank (VDB)	3 Readiness Activities - Limited knowledge of GCF - Viet Nam prefers access to grants and soft loans - GCF relevant relative the green transition agenda - capacity issues relative to accreditation - capacity issues relative to application procedures - Not interested in Multi-Country projects
<b>Aggregated</b>	> USD 3007 mio.	<b>101</b> 44 Mitigation 40 Cross-cutting 16 Adaptation	<b>31</b> 8 Mitigation 13 Cross-cutting 10 Adaptation		134 projects i.e. average 8-9 projects per country Average USD 25 mil. per project 75% Multi-Country/regional projects 52 Mitigation (40%) 53 Cross-cutting (40%) 26 Adaptation (20%) On average 5 readiness activities per country

General observations and feed-back from embassies:

- Limited knowledge of specific GCF projects.
- This simple sampling of projects in 13 countries shows a vast majority of Multi-Country projects primarily focusing on Mitigation and Cross-cutting projects. Only 20% of all projects focus on adaptation.
- Some staff interviewed had consulted the NDA or other donor partners before the meeting. The general feed-back from NDAs was less positive in regard to the GCF bureaucracy, lengthy accreditation processes, capacity gaps preventing accreditations, lengthy project application and approval processes, and lack of national ownership in Multi-Country projects.
- Climate and security perceived to be important and an area where the GCF could play a stronger role
- Focus on the Strategic Sector Cooperation (SSC) and potential synergy effects e.g. in building capacity in national sector ministries to either pursue accreditation or to apply for project funding.