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Operationalizing GCF regional presence: assessment results, proposed configurations and implementation plan

Summary

This document responds to the Board’s mandate set out in decision B.41/10 to operationalize the Green Climate Fund (GCF) regional presence. It presents the results of the assessment of eligible proposals for hosting regional presence, proposed configuration scenarios for regional offices and an outpost, and an implementation plan to support effective operationalization.

In line with decision B.42/14 and the terms of reference adopted by the Board for the selection of the host countries/cities for GCF regional presence, a call for proposals was launched without prejudging the configuration decision. Eligible proposals were assessed using the Board-adopted criteria, with costs and host-country support presented as comparative considerations. This document presents scenarios for the configuration of GCF regional presence to support the Board’s deliberations.

Implementation will be contingent on the conclusion and entry into force of host-country agreements. Operationalization is expected to be budget-neutral over time within the approved administrative budget envelope and will be managed through the Fund’s multi-year budgeting process.

The details of the proposed scenarios and assessment results are presented in the limited distribution addendum I prepared for the Board.

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I. Introduction

1. This document responds to the Board's mandate to operationalize the Green Climate Fund (GCF) regional presence. It presents: (i) the results of the **assessment of the proposals** for hosting GCF regional presence; (ii) the **proposed configurations** of regional offices and an outpost; and (iii) the **implementation plan** to support the effective operationalization of regional presence.
2. During its forty-first meeting (B.41), the Board decided to establish a GCF regional presence without prejudice to the geographical locations and their respective configuration(s) across all regions (decision B.41/10). That decision requested the Secretariat to present a proposal by the B.43 meeting for operationalizing the regional presence, including proposed **configuration(s)**, a **selection process**, and an **implementation plan**, while considering the views of Board members at B.41.
3. At its forty-second meeting (B.42), the Board adopted the terms of reference for the selection of the host countries and requested the Secretariat to launch a call for proposals to host GCF regional presence, with a submission deadline of 19 September 2025 (decision B.42/14).
4. As the Board had not adopted a configuration for regional presence when the call for proposals was launched, the Secretariat, consistent with the Board-adopted terms of reference and document GCF/B.42/12, launched the call without prejudging the Board's decision. This approach supported equity and inclusivity by giving all eligible Parties not included in Annex I to the United Nations Framework Convention on Climate Change (non-Annex I Parties) an equal opportunity to submit proposals, enabling the Board to consider options based on evidence and site-specific proposals. The Secretariat acknowledges the time and effort invested by candidate countries in the process.
5. Through decision B.42/14, the Board further mandated the Secretariat to prepare a **comprehensive analysis and recommendation for host countries of regional offices and an outpost**, consistent with decision B.41/10 and document GCF/B.42/12, for the Board's consideration.
6. The operationalization of GCF regional presence is expected to be **budget-neutral over time within the approved administrative budget envelope** and will be managed through the Fund's multi-year budgeting process. Implementation will proceed following the conclusion and entry into force of host-country agreements (HCAs), including those on legal status and privileges and immunities.
7. The document also reflects feedback received through consultations with the Board, including constituency engagements, technical sessions and written consultations, and engagements with the Budget and Risk Management Committees. Addendum II summarizes how comments from Board members and active observers on the draft document have been considered.

II. Assessment of proposals for hosting regional presence

2.1 Summary of submission

8. In line with the terms of reference for the selection of host countries adopted at B.42, the Secretariat launched a call for proposals to host GCF regional presence on 9 July 2025, with a submission deadline of 19 September 2025. By the deadline, the Secretariat had received **47** proposals from non-Annex I Parties.

9. Following receipt, the Secretariat conducted an eligibility screening against the adopted terms of reference criteria. Of the **47** submissions received, **43** were confirmed to meet all eligibility requirements and provided the necessary documentation. Four (4) countries did not respond to the Secretariat's follow-up requests for supporting documentation and information and were deemed ineligible. The eligibility screening included an assessment against the criterion on legal status, privileges and immunities; further details on any limitations indicated in the proposals are summarized in the limited distribution addendum I to this document.

2.2 Results of the assessment of the proposals

10. The Secretariat **conducted a structured assessment of the eligible proposals for hosting regional presence**. The eligible proposals were evaluated against: (i) weighted criteria covering meeting work objectives for regional presence (criteria A1–A4) and recruiting and retaining a world-class workforce (criteria B1–B3); and (ii) non-weighted comparative considerations related to cost-effectiveness and long-term viability, including cost considerations (criterion C1) and proposed host country support via offer financial and/or in-kind contributions (optional criterion C2).¹

11. The **limited distribution addendum I** to this document presents the scores against the weighted criterion (A1–A4 and B1–B3) and the aggregated total scores. Indicative costs (criterion C1) and optional host-country support (criterion C2) are presented as non-weighted comparative considerations. Section V below presents information on budgeting implications, including the range of costs for each scenario, indicative net budget impacts, and payback periods to support Board consideration of cost-effectiveness alongside the weighted assessment results when selecting host countries and cities.

12. The seven weighted criteria were assessed in line with the Terms of Reference for the selection of host countries for GCF regional presence adopted by the Board at B.42.

13. The Secretariat used an evidence-based approach with controls when scoring eligible proposals to ensure assessment integrity and consistency and to reduce discretion in scoring. Scoring was based on verifiable evidence, Board-approved methodology, independent indices where needed, and validated proposal data. Quality assurance included two-person independent scoring, application of documented adjudication rules for any variations in scoring, and use of a controlled master calculations workbook. Confidentiality and revalidation safeguards restricted access to the scores until after the results had been consolidated, the calculations rechecked before publication, and any changes had been logged.

14. The estimated cost of establishing regional presence was developed for **all eligible proposals** using a standardized set of items and assumptions, including staffing assumptions by office/outpost, to ensure **comparability** across all locations. Estimated cost components cover key **non-staff costs** (office space, utilities, local services) and **staff costs** and include a contingency buffer.

15. For the **non-staff cost estimates**, the Secretariat used the following approach:

- (a) The cost estimates separate one-off implementation (set-up) costs from recurring operational costs; and
- (b) The costing was developed by building a full cost model, including:
 - (i) **Implementation (set-up) costs:** including office fit-out; initial installation of security; legal costs where needed regarding matters arising under leases; initial relocation costs for staff and their dependents; insurance (non-staff) costs

¹ Decision B.42/12, in which the Board adopted the terms of reference for the selection of host countries for GCF regional presence, including the criteria for assessing eligible proposals.

during establishment; official opening events; and costs of travel for headquarters (HQ) staff in support of the establishment of the offices/outpost; and

- (ii) **Recurring operational costs:** including office lease/rent and utilities; information technology maintenance and subscriptions; security services; local services (e.g., administration support, cleaning services, translation support, courier services, vehicle lease/outsourcing driver service, fuel); insurance (non-staff) costs; and maintenance and repairs. These local services will be provided primarily through service contracts and are reflected under the non-staff operating costs.

16. For the **staff cost estimates**, the Secretariat used a **cost-of-living index-based approach**² and a **standardized set of assumptions** to ensure comparability across eligible host locations. The cost-of-living (COL) index method provides indicative, location-specific cost estimates. It is used as an interim proxy for the purchasing power parity (PPP) index produced through the International Service for Remunerations and Pensions (ISRP) system, which, unlike straightforward exchange rate conversions used for macroeconomic modelling and GDP comparisons (for example, by the World Bank and IMF), is designed around consumption baskets to support compensation equity across host locations. The finalized PPP indices will be developed and applied for Board-selected locations during implementation, subject to any required amendments to the Staff Regulations.

17. **Such indices are commonly used in international mobility practice to calibrate location-based pay and allowance adjustments**, so that the cost of living is broadly comparable across locations. Given the need to compare a large set of eligible host cities (43), an index-based method provided the most consistent and practical basis for deriving comparable estimates across eligible countries under a single set of assumptions, with clear budgeting implications. A limited number of cost elements embedded in generic indices may overlap with costs already covered through the Fund's standardized benefits and insurance arrangements; however, the index is applied as an aggregate measure and does not allow these elements to be isolated or adjusted. A summary of the index values for the proposed host countries/cities in the scenarios is included in the limited distribution addendum I to this document.

18. The standardized set of **assumptions** includes base salaries set at the current average salary of staff in the respective country and recurring employer-paid benefits, with benefit amounts differentiated using standard benefit parameters by dependency status (e.g., marital status and number of dependents). One-off deployment/transition costs, such as flights and shipping, are addressed separately under the non-staff cost estimates. Other incremental benefits claimable by the employee are included in the staff-cost estimates.

19. Proposed **host-country support** via financial and/or in-kind contributions is summarized in the limited distribution addendum I, and mapped to the optional support categories set out in the Board-adopted Terms of Reference (provision of office space support, operational support, staffing support, and other financial and non-financial support). This information is provided to inform Board consideration but is not reflected in the tables of indicative costs, given that such contributions are voluntary in nature, vary in scope and specificity across the proposals, and require confirmation through concluded HCAs. Any

² The Secretariat used a standardized cost-of-living index-based approach for the staff cost estimate and to support comparability across the 43 eligible countries/cities given that a purchasing power parity (PPP)-based salary scales have not been developed for all eligible proposals, given the costs and timeframe of producing them across all 43 locations. Following the Board's selection of host countries/cities, the Secretariat will develop location-based salary scales using a purchasing power parity (PPP) approach and submit these, as applicable, for Board consideration through proposed amendments to the Staff Regulations.

contributions confirmed through HCAs will be incorporated into the Fund's budget planning and reporting.

III. Proposed configuration of regional presence

20. The Secretariat has developed **two scenarios** to facilitate structured Board consideration, applying five design parameters:
- (a) **Alignment with the Board-adopted guiding principles for operationalizing GCF regional presence**, including an open, inclusive and transparent approach; an emphasis on equity and geographical balance across developing countries; and cost-effectiveness and efficiency;
 - (b) **Maintaining global geographic coverage**, while varying the degree of regional granularity and consolidation, reflecting different possible preferences regarding footprint, proximity and operational complexity;
 - (c) **Anchoring potential host locations in line with the evaluation results**, with locations in each region based on the highest-scoring eligible proposals under the Board-adopted weighted criteria; where results show a clear top tier, fewer candidate countries are presented for consideration, and where the scores cluster, a broader shortlist is included to preserve meaningful choice;
 - (d) **Using workload balance** programmatic portfolio and country coverage data to test operational and workload balance and avoid configurations that would create disproportionate burdens across offices; and
 - (e) **Seeking linguistic coverage across countries where possible**, reflecting major working languages and service accessibility, to support effective engagement and delivery.
21. In developing the scenarios, the Secretariat sought to preserve meaningful Board choice while ensuring each option remains operationally viable. Host country options were drawn from the **highest-scoring eligible proposals in each relevant region**, using the Board-adopted weighted criteria.
22. Across regions, the Secretariat has proposed host locations that clearly fell into a **statistically higher tier of the assessment results**. When the candidates are ranked, there is a noticeable step change: a small group of front-runners scores well above the rest, with a clear gap to the next option for host locations. Given the large gap relative to the spread of scores within each region, the selections were based on clear differences among similar candidates.
23. The scenarios share four common elements: GCF HQ based in Songdo, Republic of Korea (covering East, South-East, and South Asia), a Pacific outpost, a regional office for Latin America and the Caribbean, and a regional office in Eastern Europe, Central Asia, and the Middle East (EECAME). **Africa coverage is included in all scenarios; however, the number of offices in the African region and the geographical groupings they cover vary across the scenarios.**
24. Across all scenarios, **GCF HQ in the Republic of Korea remains the institutional hub**, encompassing the Office of the Executive Director and all core corporate functions. For scenario development, **HQ is also presented as the location for Asia** (East, South-East, and South Asia), reflecting the current regional set-up.
25. The scenarios include alternative configurations for Africa coverage, **while the Pacific outpost, the Latin America and the Caribbean office, and the EECAME office remain constant across the scenarios.**

26. An additional consideration is the potential to organize two Africa-based offices as distinct language-specific hubs, strengthening multilingual engagement and service accessibility by ensuring operational capacity in major languages.
27. The **two scenarios** outlined in the **limited distribution addendum I** table 1 are as follows:
- (a) **Scenario 1:** Designed to maintain full geographical coverage, aligned with the principles of equity and inclusivity, while testing a **configuration with two offices in Africa**. It aligns with the Secretariat's current regional structure and supports multilingual engagement through distinct language-specific hubs. Operationally, it spreads coverage across Africa through two offices with comparable portfolio levels (about USD \$3.54 billion and USD \$3.65 billion, 23 and 31 countries, respectively), supporting structured workload sharing and continuity.
 - (b) **Scenario 2:** Designed to maintain full geographical coverage, aligned with the principles of equity and inclusivity, while testing **maximum consolidation**. It aligns with the Secretariat's current regional structure. Operationally, it consolidates portfolio and country coverage in Africa in a single office (about USD \$7.2 billion across 54 countries), and may reduce proximity and responsiveness in some subregions.
28. For each proposed scenario, table 1 provides host country/city options, the indicative geographical coverage, the indicative number of staff members,³ the current portfolio volume, and the number of countries covered. Candidate host countries/cities are presented in order of their overall scores.
29. Table 2 of the **limited distribution addendum I** summarizes the ranking of the 16 proposed host countries/cities across the weighted criteria using colour bands: green indicates higher-ranked performance, and orange indicates lower-ranked performance for each criterion and the overall weighted total.

IV. Implementation plan

30. This implementation plan outlines the sequencing, operating arrangements, and enabling measures for operationalizing GCF regional presence following Board selection decisions.

4.1 Roll-out approach and gate-based timeline

31. The Secretariat will operationalize regional presence through a roll-out, consistent with the phased approach presented in document GCF/B.42/12. In Phase 4 (following the selection of host locations), implementation will begin through **formal engagement with host governments** to conclude **HCAs**, including privileges and immunities, legal status, and, where applicable, arrangements for establishing office premises, alongside the administrative preparations required to enable operations.

32. Given that several operational steps are contingent on the timely conclusion of HCAs, the Secretariat will apply a **gate-based timeline** rather than fixed-date milestones, working towards readiness to establish one or more regional offices and an outpost by the end of **2027**,

³ The indicative staffing profiles for each of the scenario are aligned with the Secretariat's current programmatic resourcing levels and workload distribution across programmatic teams and serve as the baseline for estimating the number of staff needed to deliver the functions under each scenario. As resourcing levels evolve over time due to staff arrivals and departures, these indicative baselines may be adjusted accordingly.

subject to the timely completion of the required gates. The indicative sequence of gates is as follows:

- (a) **Gate 1 – Post-Board decision on the selection of host countries/cities and HCA negotiation, conclusion and entry into force:** initiate host engagement, begin detailed operational planning for premises and people, and conclude the HCA, including finalization of legal status and privileges and immunities;
- (b) **Gate 2 – Operational readiness:** complete core enabling conditions (i.e., securing office premises and enabling access, ensuring information and communication technology (ICT) and security readiness, finalizing initial staffing arrangements, and ensuring minimum operational processes), and confirm any remaining country-specific administrative requirements; and
- (c) **Gate 3 – Office opening and initial operations:** commence operations within an **indicative period of up to nine months following the entry into force of the HCA**, recognizing that the timing will depend on host-country and operational factors (e.g., the availability of premises and other implementation constraints) as well as staffing circumstances.

33. The Secretariat will seek to run key workstreams **in parallel wherever feasible**, while complying with legal and risk requirements, to enable timely operationalization. These parallel workstreams include: HCA engagement and negotiations; preliminary office set-up planning and procurement preparation; ICT deployment planning; staffing and deployment planning; and related consultations and training. Additionally, the Secretariat will capture and apply lessons learned after completing each gate to inform subsequent office openings and related operational adjustments.

4.2 Governance, roles, and delegated authorities

34. Governance and implementation arrangements will be guided by the operational principles set out in document GCF/B.42/12, including **standardization and coherence** (i.e., applying common design principles across regional offices to ensure consistency in function, delegation, policies, and accountability) and **delegated authority** (i.e., empowering Regional Directors with appropriate programmatic, administrative, and representative functions, aligned with GCF policies and its internal legal framework, subject to risk considerations and oversight mechanisms).⁴ Delegated authorities will be exercised in accordance with the GCF legal framework and within the Secretariat's existing internal control framework, with headquarters retaining fiduciary and corporate control functions, including legal, finance, human resources, and risk oversight.

35. The Secretariat's existing implementation and governance arrangements will continue after the Board's decision, including through a coordination mechanism with regular reporting and escalation to the Executive Leadership Team and the Executive Director.

36. Roles across HQ, regional offices, and the potential outpost will follow the functional model presented in document GCF/B.42/12:

- (a) **Regional offices** will serve as the primary interface between GCF and countries in their respective regions, undertaking core functions such as country engagement and partnership development, programming and delivery support, private sector engagement, project implementation and closure support, and enhancing regional knowledge and visibility;

⁴ Document GCF/B.42/12 also outlines the functions and authorities of regional offices and outpost.

- (b) **Outposts**, where applicable, will function as extensions of the relevant regional office, led by an outpost manager and a small core team and operating under the direction of the Regional Director; they will be empowered to support country engagement and partnership coordination, programming and delivery support, serve as local representatives for operational coordination and undertake limited administrative/logistical responsibilities, **without duplicating decision-making authority**; and
- (c) **HQ** will remain the Secretariat's primary base of operations. The Secretariat's core staff will continue to be located at HQ, providing strategic direction, institutional governance, and decision-making; policy frameworks; impact monitoring, evaluation, and learning; corporate communication; and corporate/support functions, including legal services and Board engagement.

37. If the Board selects more than one regional office for Africa, the Secretariat will apply a standardized operating model, led by the regional director for the Africa region, to ensure coherence and avoid fragmentation, including clear geographical coverage, harmonized planning, and reporting lines, and structured HQ-regional coordination for cross-subregional issues and escalation.

38. To ensure immediate functionality and continuity following office opening, the Secretariat's **existing delegation of authority for programming and operational workflows**, applied to regional teams at headquarters, will be extended to staff at regional offices and any outpost. Any refinements required to operationalize these arrangements will be supported through amendments to the GCF legal framework, including updates to the Secretariat administrative instructions, standard operating procedures, and related training. In addition, delegations of authority will be established for administrative matters, such as human resources decisions, finance matters, and security, to enable the office to operate and ensure that GCF can discharge its duty of care. This governance approach will maintain clear accountability and decision-making, ensuring continuity of delivery, including uninterrupted country engagement and portfolio support, as staff are progressively deployed to regional offices and the potential outpost.

4.3 Communication and engagement

39. Communication and engagement will facilitate a smooth and transparent operationalization of regional presence by (i) providing consistent, factual updates to all internal and external audiences regarding the objectives of, and progress towards, regional presence; (ii) managing expectations about sequencing, including recognizing that the timing will depend on entry into force of the HCAs; and (iii) supporting staff readiness and continuity of country engagement and services during the transition.

40. **External communication and engagement:** The Secretariat will apply a structured external engagement approach with the Board, host countries/cities and other partners, as follows:

- (a) **Board engagement:** The Secretariat will support the Board's oversight of implementation through regular reporting following established Board processes, including updates at Board meetings and, where appropriate, intersessional updates;
- (b) **Host country/city engagement:** Following the Board's decision(s), the Secretariat will communicate **critical information** to countries/cities that submitted proposals, including the Board's decision(s), next steps, and points of contact for engaging with the Secretariat; for selected host locations, the Secretariat will initiate structured engagement to progress the HCA and related implementation arrangements; and

- (c) **Wider external visibility:** The Secretariat will provide public updates as appropriate to raise awareness of the move to regional presence, the rationale for its introduction, and progress towards its implementation. It will also coordinate communications with selected host authorities regarding the establishment of regional presence within the host countries, including periodic public updates on implementation prior to and once operations commence.
41. **Internal communication and engagement.** The Secretariat will maintain a structured internal communication and change management approach to support staff readiness and continuity of operations during the operationalization of regional presence. This will include timely institution-wide updates on the Board's decisions regarding regional presence and the sequence of implementation, as well as targeted engagement with affected teams and managers to clarify roles, workflows, and coordination arrangements through established channels. The Secretariat will also maintain clear points of contact for staff questions and feedback, and will use these inputs to inform ongoing change management actions, including training and operational guidance.
42. **Feedback and issue management.** The Secretariat will capture and track questions and issues arising from engagement with Board members, host countries, and staff. It will use these inputs to refine implementation planning and communication materials, and to inform the escalation of issues through established governance arrangements.

4.4 Office set-up and enabling infrastructure

43. Office set-up and enabling infrastructure will be established and implemented through coordinated workstreams covering office **premises and facilities, ICT and systems readiness, security and business continuity, and corporate and legal support services**. The Secretariat will initiate preparatory work in parallel where feasible, while recognizing that several critical steps depend on the entry into force of the HCA.
44. **Entry into force of the HCA.** For each selected host location, consistent with the information set out in GCF/B.42/12, particularly Appendix II, the Secretariat will proceed with negotiations on an HCA, in line with the model made available to candidate countries, to ensure that the legal status, privileges, immunities, exemptions, and other conditions necessary for the smooth operation of GCF, as well as related practical arrangements, are clearly established and aligned with those of other international organizations. Following the entry into force of the HCA, the Secretariat will complete any steps required to register GCF as an international organisation and to operationalize the protocol and arrangements for ongoing government liaison, including the administration of the HCA.
45. **Premises, facilities, and local service readiness.** The Secretariat will undertake the necessary steps to secure suitable premises, including selecting offices in accordance with GCF procurement regulations, concluding an appropriate lease, and overseeing the essential office fit-out. It will procure facilities-related services required for safe and effective operations. Where appropriate, local vendor and service assessments will be conducted to support operational needs, such as event-related services. Supplier performance will be monitored in line with Secretariat practice.
46. **ICT, systems, and cybersecurity readiness.** The Secretariat will deploy ICT access and support arrangements to enable secure operations from regional offices and the potential outpost, including in establishing network infrastructure, setting up end-user computing facilities, ensuring secure access to GCF applications and data and implementing an IT support model. To support multiple time zones and ensure continuity of operations, ICT support will be provided under a 24/7 service model, leveraging artificial intelligence and a centralized set-up in HQ to minimize costs. The Secretariat will also establish the required systems and data access

(including relevant corporate and programmatic systems) and implement personal data privacy, data protection and cybersecurity controls consistent with institutional requirements.

47. **Security and business continuity.** The Secretariat will implement safety and security risk mitigation measures and develop incident and emergency protocols for each office, consistent with the Fund's duty of care. Mitigation measures will be informed by site-specific security risk assessments and, where applicable, local regulatory requirements. The Secretariat will coordinate with host-country authorities, third-party providers and other international organizations, as appropriate, to ensure the protection and evacuation of staff. All relevant elements of the broader GCF safety and security management system will apply to regional offices, including visitor management, staff onboarding, digital and in-person training, travel health, and safety and security risk management.

48. **Corporate services support.** The Secretariat will provide the necessary corporate services to support the day-to-day operations of regional offices and the potential outpost. Standard operating procedures and other relevant documents will be updated as needed to ensure clear service standards, consistent application of the GCF legal framework, and effective interfaces between headquarters and regional offices and the potential outpost, including defined points of contact and workflows for approvals, payments, contracts, and administrative support.

4.5 Staffing arrangements and transition plan

49. Staffing arrangements and the transition plan for staff will be implemented through coordinated workstreams covering: **staff mobility and the application of an equitable compensation framework, including through any proposed adjustments to Staff Regulations; the staffing model and sequencing; staff support and change management; and continuity arrangements during the transition.** The Secretariat will phase implementation to maintain service delivery continuity during the establishment of regional offices and the potential outpost.

50. **Staff mobility and the application of an equitable compensation framework, including through proposed adjustments to the Staff Regulations.** The proposed staffing approach for regional presence will be underpinned by a framework designed to enable the Secretariat to deploy and retain staff across multiple regional offices and the potential outpost consistently and equitably. The framework will set out:

- (a) Conditions and duration of assignments;
- (b) Compensation arrangements for staff, including the application of **purchasing power parity (PPP)-based⁵ salary scales** for Board-selected host locations of regional offices and any outpost; and
- (c) A **mobility premium** designed as a one-time relocation incentive, encouraging existing staff to take up assignments in regional offices or the potential outpost, envisaged as a **one-off lump-sum payment** set at 10-12 per cent of whichever is higher of either: (i) the staff member's salary or (ii) the midpoint of the staff member's grade at the regional salary scale, which will be recoverable if a staff member does not complete a minimum duration of service at the regional office or the potential outpost;
- (d) The application of **existing benefits and allowances**. Where applicable, benefit amounts will be adjusted using the regional office or any outpost as the base reference

⁵ The purchasing power parity (PPP) methodology will be developed following the Board's selection of host country locations.

for calculation, **in accordance with the PPP-based methodology** (e.g., housing and home country travel).

51. Within the existing language support available under the staff training and development programme, the framework will also include targeted measures regarding **language support**, such as the provision of language training (up to proficiency level C1) to support readiness for assignments in locations with varying language requirements.

52. Following the selection of host countries, the Secretariat will prepare proposed **amendments to the Staff Regulations** to operationalize the framework, in consultation with relevant Board Committees, prior to submission to the Board for consideration at the subsequent Board meeting.

53. **Staffing model and sequencing.** The Secretariat will phase staffing deployments to match operational readiness. Initial deployments will prioritize a small core team to establish regional operations and enable initial country engagement, with subsequent expansion in line with office readiness. The staffing mix will combine the deployment/relocation of existing Secretariat staff from regional departments with limited administrative and office support functions as operations stabilize.

54. **Staff support and change management.** The Secretariat will implement practical staff support measures to enable an effective transition, including through staff communications and engagement (see above), onboarding and induction, clear reporting lines and ways of working between HQ and regional offices and any outpost, and guidance for managers on sustaining team performance throughout the transition. Where staff relocation occurs, support will be provided in accordance with the GCF legal and human resources frameworks, including well-being support and host-country orientation materials.

4.6 Multilingualism

55. Multilingual engagement is integral to strengthening access and country ownership. Regional presence will reinforce this in practice by positioning staff closer to countries and partners in multilingual environments.

56. Multilingual engagement with partners is already part of current practice, as noted in document GCF/B.42/12. Regional teams collectively speak more than 60 languages, and many country engagements already take place in local languages. Language competency is considered during recruitment processes, as appropriate, to ensure adequate linguistic coverage and culturally attuned engagement. In addition, the Secretariat will provide language training as outlined above and will use supplementary translation and interpretation services, as necessary.

57. The Fund's approach to multilingualism, including the translation of policies and critical operational guidance, is and will continue to be applied across the institution, irrespective of the configuration of regional offices. Any changes to the current institutional approach to multilingualism, including any future Board consideration to broaden the approach to multilingualism by enabling submissions in additional languages (e.g., concept notes and/or funding proposals), would fall under the multilingualism mandate from the Board to the Secretariat and would be considered independently of this regional presence package.

4.7 Risk management and internal controls

58. Risk management relating to the operationalization of regional presence will be integrated into the **Fund's institutional risk management approach** and applied consistently across all phases, including **host country selection and configuration, implementation**

planning, and roll-out and steady operationalization, irrespective of the configuration scenario applied and the Board-selected host countries/cities. This work is anchored in the **Board-approved risk management framework, which includes the risk appetite statement, non-financial risk policy, compliance risk policy, risk register, and the GCF legal framework.**

59. Risk considerations are embedded in the eligibility and evaluation criteria applied throughout the selection and configuration phase, informing the development of configuration scenarios that are consistent with the Fund's risk appetite and programmatic balance. These considerations are then translated into an operational risk and control register, along with supporting measures outlined in the implementation plan, including delegated authorities, standard operating procedures, approval thresholds, and monitoring, escalation, and reporting mechanisms.

60. The Secretariat will apply a structured risk management methodology, including the "**three lines of defence**"⁶ model. Risks will be assessed for inherent and residual likelihood and impact, taking into consideration mitigation measures, and categorized across risk types (e.g., strategic, operational (including compliance and legal), and financial) to support prioritization and management in line with the Fund's risk appetite.

61. **Operational risk and control register.** In line with the Fund's institutional risk management approach, the Secretariat will manage risks associated with regional presence through the existing institutional risk register framework and established internal control arrangements. Building on a comprehensive review of risk exposures related to the operationalization of regional presence, the Secretariat has identified a set of critical risks that require focused management attention across all implementation phases. These risks and related controls are documented in an operational risk and control register, which includes mitigation measures, monitoring indicators and escalation triggers.

62. **Emerging risk landscape.** The operationalization of regional presence introduces an evolving operational risk landscape, including the following critical risk areas:

- (a) **Staffing and personnel risks**, including constraints in aligning staff deployment with transition timelines, staff retention/ turnover, post-relocation staff dissatisfaction, and workload stress and change fatigue, including staff health, safety, security and environment considerations;⁷
- (b) **Process risks**, including inconsistent application of the GCF legal framework, such as, but not limited to, Board-adopted documents and policies, regulations, rules, instructions, procedures and guidelines, across regional offices and any outpost, breaches of internal controls, and the risk of unauthorized transactions;
- (c) **Financial risks**, including cost overruns during operationalization and uncertainty regarding initial, future or ongoing host-country contributions;
- (d) **Integrity risks**, including vulnerability to external political pressure, conflicts of interest, abuse of authority and prohibited practices; and

⁶ The Secretariat applies the internationally recognized 'three lines of defence' model, under which: (i) the first line identifies and assesses risks at process and project level and maintains and implements controls and mitigation measures, including follow up on recommendations; (ii) the second line provides guidance, tools and recommendations to support the first line and consolidates risk reporting to management and the Board for decision making, including on institutional, programming, compliance and integrity risks; and (iii) the third line comprises internal audit and the Independent Units oversight, which provide independent assurance.

⁷ Health, safety, security and environment (HSSE) considerations are assessed across all risk categories and for categorization purposes only. HSSE considerations are referenced under staffing and personnel risks to reflect the primary area of risk exposure. The nature and level of HSSE risk will be further specified and reflected in the operational risk and control register once host country selections have been confirmed.

- (e) **Legal risks**, including delays in concluding negotiations on or in the entry into force of HCAs; selected countries willing to provide limited privileges and immunities⁸ that are unsuitable to the status and operations of GCF; and risks related to host countries' compliance with the HCAs that have entered into force.
63. **Mitigation measures.** The Secretariat will seek to mitigate these risks through an integrated set of controls and implementation measures aligned with the implementation plan for operationalizing regional presence:
- (a) **Staffing and personnel risks** will be mitigated through site-specific safety and security assessments and subsequent mitigation measures consistent with the Fund's duty of care; structured staff deployment and compensation methodologies for regional offices and any outpost; the adoption of a framework to support staff mobility; tailored staff support measures; and structured change management to sustain performance and manage workload during the transition;
- (b) **Process risks** will be mitigated through clear delegations of authority with defined thresholds in accordance with the legal framework of GCF; updated standard operating procedures and other relevant documents and approval flows; and strengthened coordination protocols between HQ and regional offices and the potential outpost, including technical communities of practice to reinforce consistency in the application of the GCF legal framework;
- (c) **Financial risks** will be mitigated through transparent cost modelling, including contingencies, centralized financial approval arrangements for defined transactions, and strengthened transaction controls, including the use of enterprise resource planning-enabled automation where applicable;
- (d) **Integrity risks** will be mitigated through the Fund's integrity framework (including mandatory training); segregation of duties; embedded checks and balances (including an operations control function); Independent Integrity Unit oversight; and risk-based audits and assurance activities; and
- (e) **Legal risks** will be mitigated through standardized HCAs, for which a template has already been developed, ensuring that the required privileges immunities and exemptions are afforded to GCF, consistent with its status as an international organization, defined escalation protocols with host governments, and contingency arrangements where difficult HCA negotiations and/or delays present a risk to planned sequencing (as reflected in the implementation approach and draft decision text for the Board's consideration).⁹
64. **Monitoring, reporting and escalation:** The operational risk and control register will be reviewed regularly and updated as host locations are selected and as operationalization progresses, including to reflect changes in risk exposure and the effectiveness of controls. Material risks and issues will be escalated through established management channels, with defined reporting lines and periodic updates provided through internal governance arrangements and, where appropriate, engagement with the Risk Management Committee. A summary of the operational risk and control register is provided in annex III.

⁸ Privileges and immunities are established through HCAs. Consistent with the risk appetite statement (decision B.40/17), appendix II of document GCF/B.42/12 and the position of other international organizations, GCF will require host governments to afford functional privileges and immunities to all GCF personnel to ensure that GCF is able to carry out its functions effectively and efficiently in the relevant country.

⁹ All countries submitting a proposal to host a GCF regional presence were provided with access to an HCA model setting out the privileges and immunities that would be expected from the host government, consistent with the information contained in appendix II to document GCF/B.42/12.

65. **Organizational resilience and business continuity.** To safeguard the continuity of operations and uninterrupted delivery during roll-out, the Secretariat will embed business continuity considerations into operational planning for each regional office and any outpost. This will include clarity on critical functions and minimum operating capacity, site-specific incident and contingency arrangements, and coordination mechanisms to ensure continuity of country engagement and portfolio support during start-up, transition, or periods of localized disruption.

4.8 Monitoring and reporting plan

66. Monitoring of GCF regional presence will be fully integrated into the Fund's existing monitoring and reporting processes, leveraging existing tools, such as the integrated results management framework, internal dashboards and the Secretariat's periodic reports to the Board.

67. Key dimensions and representative indicators of the plan include:

(a) **Operationalization process**

- (i) Number and operational status of regional offices/outpost;
- (ii) Percentage of staff deployed in regional offices/outpost against the staffing plan;
- (iii) Number of regional staff with relevant linguistic competencies in their respective region; and
- (iv) Completion rate of key operational readiness milestones (e.g. HCA, office set-up, security, staff deployment);

(b) **Efficiency**

- (i) Average time from submission of a concept note to preparation of a funding proposal for Board approval in months, disaggregated by region;
- (ii) Average accreditation time from completion of an application to consideration by the Board, disaggregated by region;
- (iii) Average time to process readiness requests in months, disaggregated by region; and
- (iv) Percentage of portfolio disbursement on track disaggregated by region;

(c) **Country access**

- (i) Number and volume of readiness grant approvals, disaggregated by region;
- (ii) Readiness disbursement trend by region; and
- (iii) Number of direct access entities submitting funding proposals, disaggregated by region and by the public versus the private sector;

(d) **Portfolio support**

- (i) Percentage of projects "on track" in line with disbursement schedules (i.e., projects where cumulative disbursements are in line with the original schedule set out in the funded activity agreement (FAA)), disaggregated by region;
- (ii) Disbursement ratio by region; and
- (iii) Number of projects with active disbursements post-FAA effectiveness;

(e) **Strategic engagement and partnerships**

- (i) Cumulative trend of co-financing expenditure by instrument, disaggregated by region; and

- (ii) Number of regional climate finance coordination platforms; and
- (f) **Budget neutrality and cost adherence**
 - (i) Actual versus budget variance for the establishment and ongoing costs of regional presence (in USD and as a percentage) with the main drivers summarized in periodic budget reporting to the Board; and
 - (ii) Travel efficiency: total mission travel expenditure (in USD) per year, disaggregated by mission type.

68. Furthermore, regional offices and the potential outpost will be subject to internal audit in accordance with the Fund's established internal audit framework. The internal audit function will apply the same methodology, risk-based planning, and standards used for other Secretariat units, ensuring that regional operations are integrated into the Fund's overall assurance and oversight systems.

V. Budgetary implications

69. The operationalization of regional presence is expected to be **budget-neutral over time**, within the approved administrative budget envelope, while requiring an initial up-front investment to establish regional offices and the potential outpost. Over subsequent years, the **Secretariat anticipates that initial set-up costs associated with regional presence will be offset by future efficiency gains and cost avoidance**, including lower staff costs, reduced home country and educational travel costs, and improved operational efficiency in relation to country engagement and portfolio support. The indicative costing and any assessment of the offset of establishment costs are incremental relative to the current HQ-only construct and will be tracked at the overall Fund level. For clarity, "budget-neutral over time" refers to the aggregate administrative budget impact at the Fund level and does not imply that each office or host location is cost-neutral in each year.

70. At this stage, the Secretariat has not assumed any net reductions in mission-related travel costs; while long-haul travel from HQ may decline over time, intra-regional travel will remain necessary to support programming and partner engagement and may, in some cases, increase depending on programming activities. These costs and offsets will be reflected and managed through the Fund's multi-year budgeting process, including tracking of actual costs against budget assumptions and the realization of assumed efficiency gains and cost avoidance through established administrative budget reporting.

71. **Host-country contributions** may offset a portion of both the establishment and recurring costs of regional presence, subject to Board-selected locations and negotiated HCAs; however, such contributions have not been quantified in the indicative cost estimates, as they were optional, vary in scope and specificity across the proposals, and would only be reflected once confirmed through HCAs that have been concluded and entered into force.

72. Based on currently available information, the Secretariat has developed a preliminary full costing of regional presence covering: (i) one-off establishment/implementation costs (Year 1), which includes both non-recurring staff and non-staff costs; (ii) incremental recurring staff and non-staff operating costs, for years 1 to 4, with an associated net budget impact by year.

73. These indicative estimates are intended to inform the Board's consideration at this stage and will be refined once:

- (a) The Board has selected the host countries/cities;
- (b) Host-country contributions have been confirmed through HCAs; and

(c) The Board has considered and adopted proposed adjustments to the Staff Regulations in accordance with the proposed compensation framework, as described in section 4.5 above.

74. Pending confirmation of these parameters, the **Secretariat will integrate regional presence requirements into the multi-year budgeting process** and update cost projections through the annual budget cycle as assumptions are confirmed and operationalization progresses, including any material incremental corporate service requirements at headquarters (e.g. legal, risk and ICT support).

75. **Indicative cost profile and multi-year budget implications.** Tables 3 and 4 of the **limited distribution addendum I** present preliminary estimates of regional presence costs across the proposed host countries under scenario 1 (Table 3) and scenario 2 (Table 4), along with related budgetary implications over a **four-year** horizon. The table presents: (i) one-off establishment/implementation costs (Year 1), and (ii) ongoing costs for years 1 to 4, with an associated net budget impact by year. These costs were estimated in accordance with the approaches and assumptions set out in section 2.2 above, reflect current assumptions on sequencing and ramp-up, apply the standardized staffing model for current staff cost estimation, and exclude potential host-country contributions.

76. Each row in **tables 3 and 4** reflect the indicative cost profile for a specific proposed host country/city as the host location for the relevant regional office or outpost in the applicable scenario. The tables should be read as follows:

(a) **Scope and basis of comparison**

- (i) The estimates are presented on an incremental basis relative to the current HQ-only construct at the overall Fund level;
- (ii) The tables are intended primarily to support within-office, like-for-like comparison across candidate host locations for the same regional office or outpost;
- (iii) Because indicative staffing levels differ across regional office/outpost and, in some cases, across scenarios, cross-office comparisons should be interpreted with caution and should not be used to infer relative cost efficiency across different office types;
- (iv) For Africa, the staffing basis differs by scenario: in table 3 (scenario 1), the indicative staffing is applied at the level of each Africa office (11 staff and 19 staff, respectively), whereas in table 4 (scenario 2), the indicative staffing reflects a single Africa regional office basis (30 staff). Addendum I presents the complete evaluation results, and its “estimated costs” are provided for comparative evaluation across eligible locations, while tables 3 and 4 apply the scenario-specific staffing patterns (including the Africa split in scenario 1); and
- (v) Scenario-specific staffing allocations will be reflected once the Board has selected a configuration and host locations;

(b) **Staffing basis and COL proxy**

- (i) The staff cost component is estimated using the standardized staffing model based on the indicative staffing level for the relevant regional office/outpost at this stage (as indicated in the “office/outpost (indicative staff level)” column);
- (ii) A location-specific cost-of-living (COL) index is applied to produce indicative, comparable staff cost estimates (HQ = 100);
- (iii) For avoidance of doubt, the COL proxy is used for estimation and comparability purposes only and does not determine final remuneration for any Board-

selected location; location-specific PPP indices will be developed and applied, subject to any required Staff Regulations adjustments to be considered by the Board; and

- (iv) The COL proxy affects the staff compensation component only; establishment and non-staff operating cost components reflect separate assumptions (see section 2.2);

(c) **Cost components and timing**

- (i) One-time establishment/implementation costs reflect non-recurring staff and non-staff costs in year 1;
- (ii) Ongoing costs are incremental recurring staff and non-staff operating costs, for years 1 to 4 and are separate from one-time establishment/implementation costs, and the two 'year 1' values are not duplicative; and

(d) **Interpretation of negative values**

- (i) Negative values (shown in parentheses) indicate a net saving (cost avoidance) relative to the HQ-only construct in that year.

77. **Table 5 of the limited distribution addendum I provides a consolidated comparison of the indicative cost profile across the two scenarios.** For each scenario, the host-location combination refers to one proposed host country/city for each regional office and any outpost included in that scenario, drawn from the shortlisted set in tables 3 and 4. To illustrate how host location choices can affect ongoing costs, table 5 presents two illustrative host-location combinations for each scenario (lower-cost and higher-cost), derived from the location-level cost profiles provided in tables 3 and 4; these are presented for illustration purposes only and do not imply a recommendation or prejudge the Board's selection of host locations.

78. For each scenario, table 5 summarizes (i) the estimated range of one-off establishment/implementation costs; and (ii) indicative steady-state net budgetary from Year 1 onward, shown relative to the current HQ-only construct (values in parentheses indicate net savings). The figures are indicative, exclude potential host-country contributions, and will be refined once the Board has selected host locations and HCAs have confirmed any cost offsets.

79. **Indicative impact and payback period.** The Board's selection of countries to host regional presence, based on the scenarios, would impact operating costs by approximately a net savings of up to 2 per cent to a net increase of up to 2 per cent. Where ongoing savings are anticipated, implementation costs could be offset within approximately 3 to 5 years. Where additional costs are projected under a given configuration, the Secretariat would reflect the required efficiency gains and/or offsets through the multi-year budget planning process and annual budget submissions for Board consideration, consistent with the objective of budget neutrality over time; in such cases, budget neutrality could be expected to be achieved in approximately 7–10 years, depending on the scenario. These estimates are indicative and do not consider strategic growth in the portfolio, nor potential host-country contributions, and are based on the current administrative budget baseline and preliminary costing assumptions.

80. **One-off establishment/implementation costs.** One-off establishment costs are expected to occur primarily during the period from the Board's selection of host locations to office opening and early operations. These costs will include, as applicable: fit-out of the office premises and initial security installation; ICT set-up and cybersecurity measures; any HCA-related costs, such as travel; initial relocation and deployment costs; and HQ travel and surge support required to enable safe and timely establishment. Host-country contributions may offset a portion of these establishment costs, subject to negotiated commitments.

81. **Ongoing operating and staffing costs.** Ongoing costs will comprise (i) non-staff operating expenditures (e.g., lease or premises-related costs where premises are not provided in-kind, utilities, local security services, local service contracts, maintenance, insurance, and ICT maintenance/subscriptions), and (ii) staff-related costs (salary and employer-paid benefits) for deployed staff. For staff-related costs, the proposed PPP-based salary methodology will be applied for the selected host locations, as well as any additional or amended compensation components approved through the proposed framework to support staff mobility. Host-country contributions may offset a portion of recurring operating costs where support is provided in-kind or through operational co-financing.

82. **Budget management and reporting.** The Secretariat will track establishment and operating costs for regional presence and will report to the Board through established budget and administrative reporting processes, including through its regular engagement with the Budget Committee. Reporting will track both expenditures and the realization of efficiency gains and cost avoidance, assumed in the budget-neutrality approach. Any material variance from planned assumptions, including changes in host-country contribution levels or set-up requirements, will be escalated through management and reflected in subsequent budget submissions to the Board, as appropriate. This approach provides a structured set of controls to manage cost escalation risks during roll-out.

VI. Recommended actions by the Board

83. It is recommended that the Board consider and adopt the decision contained in annex I.

84. For contextual reference, the Fund's conflict of interest policy and related ethics requirements continue to apply to all decisions. For the purpose of selecting host countries and cities for regional presence, the Board may decide that the fact that a Board member represents a government that submitted a hosting proposal does not, on its own, constitute a conflict of interest. On that basis, such a Board member would not be required to abstain from participating in the selection decision.

85. The Secretariat has set out in annex II a possible decision-making pathway for the Board's consideration in the event that consensus cannot be reached on the draft decision.

Annex I: Draft decision

The Board, having considered document GCF/B.44/17/Rev.01 titled “Operationalizing GCF regional presence: assessment results, proposed configurations and implementation plan” and its addenda:

- (a) Takes note of the Secretariat’s assessment of the eligible host country proposals to host a GCF regional presence, as presented in document GCF/B.44/17/Rev.01;
- (b) Decides that serving a government that has submitted a proposal to host a GCF regional presence does not constitute a conflict of interest for a Board member;
- (c) Selects the following host countries and cities for the regional offices and the outpost, consistent with the following configuration:
 - (i) Regional offices
 - (1) [Country] / [City] — for [Regional Office 1 geographic coverage];
 - (2) [Country] / [City] — for [Regional Office 2 geographic coverage];
 - (3) [Country] / [City] — for [Regional Office 3 geographic coverage];
 - (4) ...
 - (ii) Regional outpost (if applicable)
 - (1) [Country] / [City] — for [Outpost geographic coverage];
- (d) Welcomes the Host Country support offered in some of the proposals submitted by the selected host countries and cities;
- (e) Requests the Secretariat to initiate negotiations of host country agreements with the countries identified in paragraph (c) incorporating, where applicable, commitments on host country support;
- (f) Also requests the Secretariat to report to the Board at each subsequent meeting on the status of negotiations of the host country agreements, including any material issues affecting the conclusion of an agreement according GCF with appropriate privileges and immunities, consistent with those presented in Appendix II of document GCF/B.42/12; and
- (g) Further requests the Secretariat to advance with the operationalization of regional presence in line with the implementation plan contained in document GCF/B.44/17/Rev.01, to manage implementation with the objective of budget neutrality over time within the approved administrative budget envelope, and to reflect associated costs, efficiency gains and offsets through the Fund’s multi-year budgeting process and annual budget submissions for Board consideration.

Annex II: Possible decision-making pathway

1. The Secretariat has set out a possible decision-making pathway for the Board's consideration in the event that consensus cannot be reached on the draft decision, as follow:
 - (a) Consensus remains the approach to decision-making in line with the Governing Instrument and the Rules of Procedure;
 - (b) Nevertheless, in the event that consensus cannot be reached on the selection of all or some of the host countries/cities to host a regional presence, the below decision-making pathway, through the use of confidential balloting as a special procedure, is suggested for the selection of the host country/cities. This procedure is suggested as it exists in the "Procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted" (the Procedures), albeit for the selection and appointment of Board-appointed officials (see Section VI of the Procedures). Therefore, the process is already developed as a reference point. Confidential balloting is also consistent with the approach taken by the Board at its 2nd meeting (B.02), when it selected the Headquarters location after efforts to reach consensus had been exhausted. As a summary, the process would comprise the following:
 - (i) Step 1: The adoption of any **special decision-making procedure**, such as confidential balloting, would first require the Board to decide on it by consensus.
 - (ii) Step 2: Following a decision by the Board to adopt the special decision-making procedure in step 1, the Co-Chairs would propose, and seek the agreement of the Board, on how the rounds of balloting shall take place.
 - (iii) Step 3: Confidential balloting would then be cast in rounds of balloting, consistent with the procedure set out in section VI of the Procedures and step 2 above. This would involve one ballot per Board member per round.
 - (iv) Step 4: Following each round of balloting, the Secretary to the Board will count the ballots in the presence of independent observers, recommended to include the General Counsel and other officers from the Office of the General Counsel. The count of ballots shall not be revealed to the Board at any time. In the event that more than two options are being considered by the Board in the balloting process, in each round, the option with the least support would be eliminated from subsequent rounds of balloting. This would continue until at **least two-thirds of ballots cast in a single round support one option**.
 - (v) Step 5: The outcome following the completion of step 4 would then be put to the Board for confirmation by consensus. In the event that at least one Board member expresses the view that they are unable to join consensus, the process set out in paragraph 35 of section VI of the Procedures would be followed.

Annex III: Summary of operational risks associated with operationalizing GCF regional presence

1. This annex provides an indicative summary of the operational risk landscape for GCF regional presence and the associated controls. Risks are assessed for inherent and residual likelihood and impact, considering planned mitigation measures and internal controls, and are aligned with the Fund's institutional risk taxonomy and risk appetite. Table 1 provides detailed information on risk, controls, monitoring and evaluation.

Risk ID key:

- **Staff and personnel:** P1= Staff health, safety & security; P2= Challenges in staff deployment; P3= Staff attrition or low engagement; P4= Post-relocation dissatisfaction; P5= Workload stress, change fatigue
- **Process:** PR1= Inadequate governance framework; PR2= Inadequate Adaptation of the Risk and Control Framework to Regional Offices; PR3= Inconsistent application of the GCF legal framework; PR4= Unauthorized disbursements; PR5= Breach of Internal Controls during transition period; PR6= Challenges in Securing local services; PR7= Failure or disruption of critical IT systems
- **Financial:** F1= Cost overruns during operationalization; F2= Uncertainty around host-country contributions
- **Integrity:** I1= External political pressure; I2= Conflict of interest situation; I3= Prohibited practices
- **Legal:** L1= Delays in concluding HCA negotiations or entry into force of HCAs; L2= selected countries only willing to provide limited privileges and immunities – unsuitable to GCF's status and operations; L3= Lack of compliance by governments with HCAs

Table 1: Risk, controls, monitoring and escalation

Risk ID	Risk description	Inherent severity	GCF legal framework	Key control 1	Key control 2	Key control 3	Residual severity	Key risk indicators	Escalation trigger
P1	Staff health, safety and security conditions at host locations could disrupt operations or expose staff to harm	High	Non-financial risk policy, adopted by decision B.19/04	Site-specific Safety and security assessments and mitigation measures (including training)	Global safety and security framework deployed across all offices (including physical safety and security and travel)	Security protocols implemented in relocating personnel and for office set-up, including the deployment of a designated security official on the ground	Medium	# of significant security incidents # of near misses	Material change in security rating, serious incident or near miss, or inability to operate

Risk ID	Risk description	Inherent severity	GCF legal framework	Key control 1	Key control 2	Key control 3	Residual severity	Key risk indicators	Escalation trigger
P2	Delays or failure in establishing minimum operational capacity could affect the continuity of country engagement and portfolio support	High	Non-financial risk policy, adopted by decision B.19/04	Early engagement and adoption of a framework to support mobility, including relocation support	Structured change management process	Identification of key roles, risk assessment and contingency plan, including hiring of new staff	High ¹⁰	Deployment status of key roles (declined/accepted)	Slippage against critical-path milestones beyond defined tolerance; inability to operate
P3	Staff attrition or reduced engagement could impact delivery capacity and operational stability	High	Non-financial risk policy, adopted by decision B.19/04	Early engagement and adoption of a framework to support mobility, including relocation	Communication plan, including targeted staff engagement	Hiring of new staff based on a framework in place to support mobility	Medium	Vacancies in key roles	Staff attrition above threshold for critical functions
P4	Dissatisfaction after relocation could reduce performance and increase the risk of staff attrition	Medium	Non-financial risk policy, adopted by decision B.19/04	Early engagement and mobility adoption of a framework to support mobility, including relocation	Settling in support; orientation material	Post relocation pulse check	Medium	Post-relocation engagement rate # of return requests # of complaints to the department of people and culture	Combination of high dissatisfaction indicators impacting performance
P5	Sustained workload and change demands during start-up could lead to fatigue, errors, absence, and	High	Non-financial risk policy, adopted by decision B.19/04	Phased roll-out and ramp-up, deployment of prioritization protocols and time-bound surge support	Wellbeing support	Clearly defined ways of working between HQ and regional offices and the potential outpost;	Medium	High absenteeism Low engagement rate	Persistent capacity shortfall

¹⁰ Probability of occurrence will decrease after application of controls, but impact would remain high

Risk ID	Risk description	Inherent severity	GCF legal framework	Key control 1	Key control 2	Key control 3	Residual severity	Key risk indicators	Escalation trigger
	reduced delivery performance					guidance for managers and change champions			
PR1	Failure to establish a proper governance model, including fit-for-purpose decision-making processes and oversight mechanisms	High	Administrative guidelines on the internal control framework and internal audit standards adopted by B.BM-2025/06:	Updated governance framework, including appropriate delegations of authority to ensure clarity regarding roles, responsibilities and decision-making authority	Accessibility / communication of the governance framework		Medium	Partial or incomplete delivery of the control framework as per the project timeline	Significant delay in delivering the framework versus the project timeline
PR2	Internal control mechanisms fail to operate effectively in the regional offices/outposts, increasing risks across all operational processes and in particular procurement, finance, treasury, IT, crisis management,	High	Administrative guidelines on the internal control framework and internal audit standards adopted by B.BM-2025/06:	Review of the current control framework by process to adapt existing controls and processes for application in regional offices/outpost	Operational risk and control self-assessment (RCSA) conducted and periodically reported by region	Oversight exercised centrally (including training and communication)	Medium	RCSA coverage of the regions	Incomplete or in-existent RCSA reporting

Risk ID	Risk description	Inherent severity	GCF legal framework	Key control 1	Key control 2	Key control 3	Residual severity	Key risk indicators	Escalation trigger
	communications, human resources and programming processes								
PR3	Divergent interpretation or application of the GCF legal framework across offices/outpost could lead to uneven practice, compliance gaps, and reputational risk	High	Administrative guidelines on the internal control framework and internal audit standards adopted by B.BM-2025/06:	Properly communicated and available GCF legal framework	Technical communities of practice and process champions		High ¹¹	# of risk events by process	Repeated risk events or individual event with a significant financial or non-financial impact
PR4	Unauthorized or inappropriate financial transactions could occur due to process gaps, delegation errors, or insufficient oversight	High	Administrative guidelines on the internal control framework and internal audit standards adopted by B.BM-2025/06:	Approval thresholds and double signature principle applied to all cash-out transactions	ERP workflow enforcement	Bank reconciliation independently performed and reviewed at HQ	Low	# of exceptions to the cash-out process # of unreconciled items related to disbursements	Any confirmed unauthorized transaction; repeated exceptions; identification of systemic control weakness

¹¹ Probability of occurrence will decrease after application of controls, but impact would remain high

Risk ID	Risk description	Inherent severity	GCF legal framework	Key control 1	Key control 2	Key control 3	Residual severity	Key risk indicators	Escalation trigger
PR5	Weakening of controls during transition could increase risk of errors, fraud, or non-compliance	High	Non-financial risk policy adopted by decision B.19/04	Oversight over application of Internal control principles, including segregation of duties, delegated authority thresholds, approval flows, and ERP-enabled controls	Periodic training on internal control by process	Periodic assurance and audit	Medium	# of risk events during the transition period	Material control breach; repeated exceptions in a site/process; suspected fraud
PR6	Difficulties in hiring local services essential for proper workplace and staff installation could impact delivery capacity or even business continuity	High		Updated procurement of artificial intelligence (AI) to include a process for local procurement, including delegation of authority up to a limited amount	Procurement plan assessing needs for local service and corresponding procurement strategy	Third-party risk management embedded in procurement processes	Low	Procurement plan execution failure	Incapacity to operate
PR7	Critical system, application or network unavailability disrupting operations	Medium	Non-financial risk policy adopted by decision B.19/04	Standard IT cyber security configurations, operations, monitoring and safeguarding controls	Contracting of global network provider, monitoring of service-level agreement from HQ	Duplication of the system hosting GCF applications to Azure cloud to increase proximity to the region	Low	Operation downtime due to system unavailability	Significant operational disruption

Risk ID	Risk description	Inherent severity	GCF legal framework	Key control 1	Key control 2	Key control 3	Residual severity	Key risk indicators	Escalation trigger
F1	Start-up and transition costs may exceed estimates	High	B.38/07: Administrative budget and accounting framework	Cost modelling, including contingency plans	Centralized budget execution control		Medium	Actual costs versus budget Forecast for completion	Variance beyond tolerance; depletion of contingency; risks to mandated timelines/delivery
F2	Expected host-country contributions (or in-kind support) could be delayed, reduced, or subject to conditions, increasing net costs and implementation risk	Medium		Clear documentation in HCA/side arrangements;	Conservative budgeting assumptions, including contingency planning;	Escalation protocols with host authorities	Low	Variance between assumed and confirmed contributions	Slippage affecting operational readiness
I1	External pressure on staffing, procurement, or operational decisions could undermine integrity, neutrality, and decision quality	Critical	Code of conduct remaining in effect through decision B.42/15; and Policy on prohibited practices adopted by	Governance and Integrity frameworks, including escalation mechanisms	Ethical culture setting the tone at the top, awareness and training	Independent Integrity Unit oversight	High ¹²	# of reported and confirmed integrity incidents	Any credible allegation of undue influence; repeated patterns of incidents; reputational exposure

¹² Probability of occurrence will decrease after application of controls, but impact would remain high

Risk ID	Risk description	Inherent severity	GCF legal framework	Key control 1	Key control 2	Key control 3	Residual severity	Key risk indicators	Escalation trigger
			decision B.22/19						
I2	Actual or perceived conflicts in procurement, recruitment, or operational decisions could lead to improper outcomes and reputational damage	High	Code of conduct remaining in effect through decision B.42/15; and Policy on prohibited practices adopted by decision B.22/19	Conflict of Interest disclosure requirements in the GCF legal framework	Ethical culture through tone at the top, awareness and training	Segregation of duties and second-line oversight	High ¹³	# of undisclosed and reported conflict of interest situations	Confirmed undisclosed conflict of interest situation leading to suspicion of an integrity breach
I3	Fraud, corruption, collusion, coercion, or other prohibited practices could occur during start-up and operations, including in	High	Policy on prohibited practices adopted by decision B.22/19	Integrity framework with escalation mechanisms and whistleblowing channels	Internal control framework, including segregation of duties and checks and balances		High ¹⁴	# of confirmed events	Any credible allegation, including without financial impact; red-flag cluster; confirmed case requiring investigation

¹³ Probability of occurrence will decrease after application of controls, but impact would remain high

¹⁴ Probability of occurrence will decrease after application of controls, but impact would remain high

Risk ID	Risk description	Inherent severity	GCF legal framework	Key control 1	Key control 2	Key control 3	Residual severity	Key risk indicators	Escalation trigger
	procurement and payments								
L1	Delays in negotiating or concluding HCA would prevent the timely establishment of legal status and operational readiness	Medium		Established HCA templates with clear privileges, immunities and exemptions requirements	Early engagement and proposed timeline for negotiating and concluding the HCA, proposed reporting to the Board on progress		Medium	Slippage against the projected timeline by the week	Slippage beyond the critical path by more than 1 month
L2	Selected countries only willing to provide limited privileges and immunities that are unsuitable to the status and operations of GCF, which, if agreed could expose the Fund/staff to inappropriate levels of legal and operational risks	High	Risk appetite statement adopted by decision B.40/17	HCA templates with clear privileges, immunities and exemptions requirements	Escalation plan: if necessary, should privileges and immunities not be agreed upon	Selection by the Board of an alternative location as a last resort	Medium	# of unmet privileges, immunities and exemptions requirements	Credible threat of legal exposure; risk to GCF staff, and assets; operational impediments to core functions

Risk ID	Risk description	Inherent severity	GCF legal framework	Key control 1	Key control 2	Key control 3	Residual severity	Key risk indicators	Escalation trigger
	and hinder effective functioning								
L3	Host governments may not fully respect HCA commitments (e.g., immunities, tax/customs arrangements), creating operational disruption, legal exposure and risk to GCF staff and assets	Medium	Host country agreement	Clear HCA obligations and operational protocols; including designated focal points and escalation pathways with the government	Periodic engagement to review documentation of incidents	Contingency arrangements for critical disruptions	Low	# of incidents of non-compliance	Repeated or unresolved incidents

^{a)} ERP = enterprise resource planning, HCA = host country agreement, HQ = headquarters, IT = information technology, RCSA = risk and control self-assessment