

Work programme of the Secretariat for 2026-2028 and administrative budget

This document captures the programme as adopted by the Board in decision B.43/10. The programme was sent to the Board for consideration at B.43 in document GCF/B.43/17 titled “2026-2028 work programme of the Secretariat and annual administrative budget of the GCF Secretariat, Board and Trustee”.

All decisions and documents adopted at B.43 can be found in document GCF/B.43/21 titled “Decisions of the Board – forty-third meeting of the Board, 27– 30 October 2025”.



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I. Introduction

1. This document presents the 2026-2028 work programme of the Secretariat, and the proposed 2026-2028 administrative budget of the Secretariat, the Board and the Trustee, for approval by the Board in line with paragraph 23(e) of the GCF Governing Instrument, and decision B.38/07. An output-based budget is included in Annex I and a consolidated administrative budget that covers all of the bodies of GCF, including its independent units, is contained in Annex II.

2. This is the second multi-year work programme and budget prepared under the updated Administrative Budget and Accounting Framework adopted by decision B.38/07. This reconfirms the Secretariat focus on delivering the Board endorsed priorities in the 2025-2027 work programme of the Secretariat in decision B.40/11 in 2026 and 2027; while also establishing the foundation to transition to GCF-3 entering 2028.

3. To ensure accountability and track progress, the work programme includes a results framework outlining milestones for 2026-2028 across each of the Secretariat's three objectives. These milestones articulate the specific deliverables which align with the programming directions and operational and institutional priorities in the USP-2 and will be tracked through the Secretariat's periodic activity reporting.

II. Enhancing country ownership and access

4. Under its first priority on enhancing country ownership and access, the Secretariat's three-year aim is to implement reforms that will make fit-for-purpose access the 'new normal' and build closer and stronger strategic programming partnerships between developing countries, GCF and accredited entities to drive a more truly country-led GCF pipeline.

5. Aligned to USP-2, the Secretariat will focus 2026 on implementation of key policy reforms to reshape fit-for-purpose accreditation, developing country and readiness partnerships. Consistent with Board direction, the Secretariat will focus first, on implementation of accreditation and monitoring and accountability reforms; second, re-centering GCF programming on the GCF developing country partnership and strategic engagement to establish ambitious, integrated and inclusive programmes of climate action; and third, positioning GCF as a proactive readiness partner working with countries to co-design solutions and deliver through effective technical partnerships.

6. Over the planning period, the Readiness and Preparatory Support Programme (RPSP) will strengthen its strategic orientation by deepening partnerships with MCFs, MDBs and others to implement readiness support, enhance country-driven climate planning and pipeline development. Readiness grants will be increasingly tailored to support investment planning and the development of country programming that aligns with GCF strategic priorities. The programme will also expand support for country platforms to foster integrated approaches to climate finance and coordination across stakeholders. In parallel, the Secretariat will undertake a comprehensive review of the Readiness Results Management Framework (RRMF) to assess its effectiveness and ensure that readiness support delivers measurable outcomes that contribute to transformational climate action.

7. On accreditation, the Secretariat will implement the substantial reforms approved at B.42 to deliver a fit for purpose model that our partners and GCF need, while reviewing and prioritizing existing accreditation applicants. The Secretariat anticipates such reforms will materially expand countries' choice of programming partners – especially direct access –

institute fit-for-purpose accountability and performance arrangements and focus on the goal of enabling entities to become accredited in nine months or less.

8. Parallel stakeholder consultation on an updated country ownership policy to be considered by the Board at B.44, full operationalization of integrated Secretariat regional teams and the 2024-2027 readiness strategy reiterates strategic GCF-developing country programming partnerships as the 'centre of gravity' for GCF pipeline development. By 2027, the Secretariat will have worked with over 100 countries to agree shared programming priorities and promote the uptake of targeted readiness support, advancing implementation and investment mobilization for nationally determined contributions (NDCs), national adaptation plans (NAPs) and other climate strategies in line with USP-2 Target 1. The aim by 2027 is to significantly boost the impact of readiness in originating high-quality GCF projects and bring to GCF-3 a pipeline that is more qualitatively aligned with country-GCF climate impact priorities.

9. As part of this, the Secretariat will continue its work with interested partners on country and regional platforms to support more integrated, broad-scale and ambitious investment programming, as has been seen in the establishment of the country platform in Brazil and the announcement of a regional platform in the Caribbean in Q2 2025. The Secretariat anticipates several additional announcements by countries and regions pertaining to platforms in coming months. Over the work programme period, GCF support will include country platform assessments across ESS, Gender and IP standards.

10. Guided by USP-2 Target 2 – doubling the number of direct access entities (DAE) with approved funding proposals – the Secretariat will continue engagement with DAEs to promote uptake of the DAE readiness window, PPF and support the last mile toward project approval. At both project development and implementation stages, first-time DAE projects often involve a steep learning curve. The Secretariat anticipates extra up-front investment – to onboard new DAEs, provide guidance on common programming and implementation gaps, and enable forums for peer learning – to help DAEs optimize the use of readiness and PPF support for programming. It has also planned for the identification of new capacity building needs under DAE support window and the establishment of a mechanism and framework for carrying out diagnosis of the institutional and implementation capabilities of DAEs and other relevant implementation partners. By 2027, the Secretariat aims to help more than 60 DAEs build readiness, with a view to securing at least 25 new DAEs FP approvals, alongside some returning DAEs.

11. Overall, the Secretariat's work on enhancing country ownership and access will be guided by a more client-focused partnership ethos focused on improving the experience of accessing GCF. Efficient GCF will continue to drive efficiencies, including pursuit of the goal to take newly submitted proposals from concept note to board approval in nine months or less. The Secretariat aims to set itself up for continuous improvements in efficiency and effectiveness by evolving an operations excellence framework that provides regular process performance feedback and achieves 10% efficiency gains each year. It will also seek to guide partners through sharing knowledge and best practices on climate impact assessment, safeguarding, gender, Indigenous People and inclusion, and strengthening stakeholder engagement across these areas. The Secretariat will also review progress to be able to refresh GCF-3 strategies for readiness and PPF based on lessons learned. Development and consultations will begin in 2026, with formal Board consideration in 2027.

III. Delivering impact and results

12. Under its second priority on delivering impact and results, the Secretariat’s three-year aim is to fully execute GCF-2 resources to deliver high-impact, country-owned programming that addresses climate vulnerability, promotes sectoral transformation, and catalyzes innovation and private sector investment in line with USP-2 goals. By the GCF-3 replenishment, the Secretariat aims to build the Fund’s portfolio management, monitoring, evaluation and learning, and communications functions to a level where there is wide global recognition of GCF’s results and impact, and its role in supporting a more ‘fit for purpose’ wider climate finance architecture.

13. The Secretariat’s 2026-2028 work programme and budget continues to deliver greater programming reach through a 40% plus boost in programming levels in GCF-2, relative to GCF-1, while building readiness to further scale in GCF-3, respond to the NCQG decision and delivering on the 50by30 vision. At B.42, the Board approved USD 1.225 billion for 17 funding proposals, the highest ever amount of funding approved at a single Board meeting. Should the Board approve all proposals under its consideration at B.43, 2025 may be the biggest year for GCF in terms of volume and number of approved FPs.

14. Building upon this rapid acceleration of programming achieved over 2024 and 2025, the Secretariat will sustain programming in alignment with USP-2 targets and available commitment authority, programming up to USD 3 billion in 2026 and 2027. Illustrative projections of up to USD 4.3 billion committed funding in 2028 reflect an uplift in ambition, to be further defined with the Board through the consultation for GCF-3. Following Board consideration of financial inputs from other sources, including alternative sources, the Secretariat anticipates requiring enhanced capacity to enable higher levels of programming for GCF-3 commensurate with the GCF-3 targets to be defined with the Board. Detailed projections on 2026-2028 programming projections are available in Table 3.

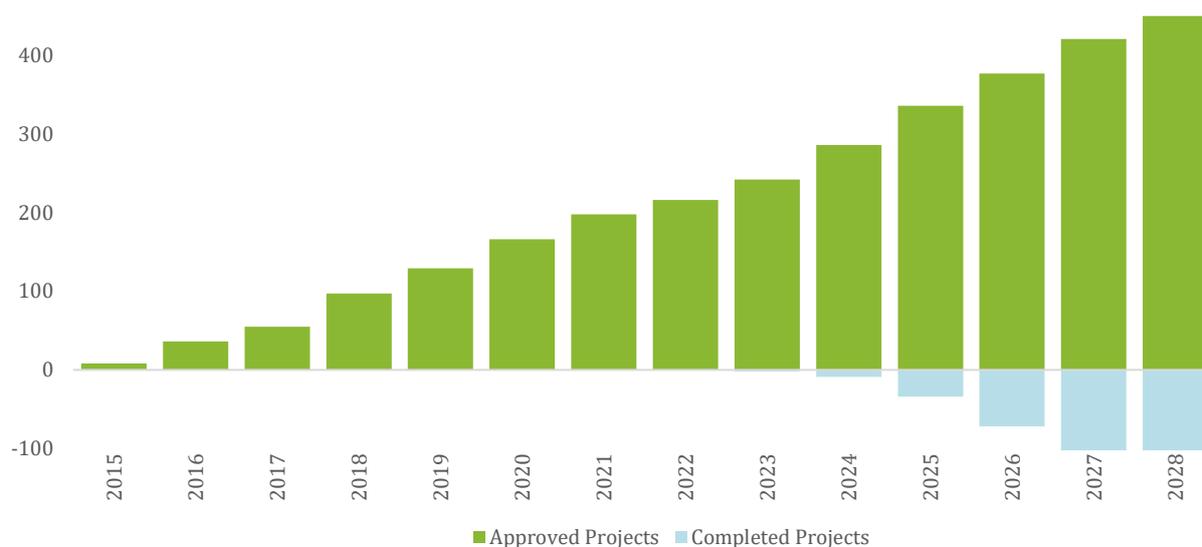
Figure 1: Portfolio growth to 2028



15. In addition to continuous management of the portfolio approved over the initial resource mobilization, GCF-1 and GCF-2 periods, and with the call to respond to the NCQG

decision as well as deliver on the 50by30 vision in future years,¹ it is anticipated that GCF will not reach steady state in the foreseeable future, as shown in Figure 2. The Secretariat notes projects are closing at a slower rate than planned, primarily due to the increasing complexity of the portfolio and the volume of change requests and extensions. The importance of the role the Secretariat plays in managing an increasingly large and complex portfolio is critical, with efficiency gains essential and, nevertheless, increasing demands on programming, legal, risk, operational safeguards and portfolio management and monitoring capabilities. Of great importance to the Fund is its work in vulnerable contexts, enhancing Direct Access Entities and addressing the unserved and underserved, across a full breadth of instruments; and this requires the requisite Secretariat capacity and capabilities to appropriately engage, deliver and manage.

Figure 2: Portfolio Projections



16. Over the programming period, regional teams will collaborate with countries and Accredited Entities (AEs) on more proactive portfolio management called for in the revised Monitoring and Accountability Framework (MAF) approved at B.42 and the Policy for Restructuring and Cancellations being considered by the Board at B.43, supported by close monitoring of AE performance, compliance, and programming. Implementation efforts will include capacity building and onboarding for AEs, NDAs, and internal stakeholders, and development of monitoring and support mechanisms to ensure consistent application of MAF provisions across portfolios. By the end of the planning period, the Secretariat will produce institutional learning products that showcase how MAF has informed programming and policy.

17. Regional teams are also working closely with accredited entities and countries on pipelines aligned to country priorities and leveraging of readiness funding to more directly influence country investment pipelines. This includes reviewing the pipeline, retiring long-inactive concept notes, and enabling the Secretariat to concentrate its resources on advancing transformative, country-prioritized projects and programmes. Continuing to deliver on the Fund's goals to support vulnerable people and communities, the Secretariat is developing tailored guidance for programming in Fragile and Conflict Affected Settings, aligned to GCF

¹ In development of plans beyond GCF-2, the Secretariat acknowledges that the full ambition for the GCF-3 period from 2028-2031 will be determined in consultation with the Board, and the guidance will be contained in the Strategic Plan for the GCF for 2028-2031 (USP-3), to be developed over 2026 and 2027.

policies; and developing systems for targeting and ensuring access to finance by the most vulnerable.

18. Supporting this requires strengthened systems for managing the portfolio for impact, including the development of live dashboards with risk-based indicators and investment in capacity building for internal teams and delivery partners, including tailored guidance and helpdesk support. Efficiencies and improved experience in these processes will be supported through full deployment of digitised funding proposals and Annual Progress Reports (APRs), which have been redeveloped to improve data collection and data accuracy. Structured discussions will also be held with AEs and Readiness Delivery Partners (DPs) to understand the progress provided in the APRs process and readiness reporting processes. The Secretariat also expects to see the continuing acceleration of disbursements across all funding windows, including timing to first disbursement.

19. Furthering the focus on monitoring, evaluation and learning, the Secretariat will continue to introduce reporting of new portfolio impact results and expects to roll out the Harmonized Results Framework to be presented to the Board in 2026, and embed across Fund systems, processes and tools. This includes embracing impact measurement technologies within the GCF technology suite and integration of an impact validation engine into Fund systems for real-time impact evaluation. Furthering the demonstration of investment impact, the Fund will publish a flagship report of GCF-2 results and impact, along with implementation of endorsed recommendations from the report to inform knowledge sharing and enhance performance.

20. This deepening of Fund results and impact supports the strengthening of GCF leadership in the climate finance ecosystem, which will be further enabled through the implementation of the Fund's new communications strategy, including the roll-out of 'GCF.10' to mark the first ten years of GCF's programming. This includes placement and utilization of key spokespersons in media, speaking engagements and execution of the Fund's multi-year thought leadership work plan. The Secretariat will continue to contribute towards global multi-lateral initiatives to shape the future of the global climate finance architecture, including progressing work on complementarity and coherence with MCFs and MDBs.

IV. Focus on people and institutional strengthening

21. Under its third priority of focus on people and institutional strengthening, the Secretariat's three-year aim is to strengthen the organizational backbone of its people and institutional capabilities so that stakeholders can have full confidence in GCF's ability to operate as a state-of-the-art organization. These efforts seek to ensure the Secretariat is fully equipped to manage what will, by 2028, be a portfolio of up to USD 30 billion.

22. Building on the Staff Regulations and Rules approved by the Board in 2025, including a new job architecture and salary structure, 2026 will be a critical year for embedding people reforms. The Secretariat will continue its focus on becoming an employer of choice, driving impact and culture change through a strengths-based approach to leadership, attracting and developing world class talent and aligning organizational culture with GCF values through an enhanced approach to employee engagement throughout the employee lifecycle, a refreshed performance management system, and wellbeing and ethics initiatives aimed at building a safe, respectful and rewarding work environment.

23. Over 2026-2028, building on intensive focus to mature the GCF's architecture for risk-informed financial management, the Secretariat will complete the full implementation of the Enterprise Risk Management across the portfolio, undertake a comprehensive review of compliance-related risk frameworks and setup the necessary internal controls and processes

for the implementation and monitoring of reforms, ensuring risk, governance and legal matters are addressed. The GCF must be properly equipped to manage a portfolio of growing financial complexity, that includes diverse, novel financial instruments and structures. From 2026, the Secretariat seeks to prioritize updates to risk and hedging policy frameworks, strengthen relevant teams, a review of Trustee arrangements and advance development of operational risk controls and tools to mainstream a risk-aware culture. Continuing efforts to conclude bilateral agreements with countries, recognizing GCF's legal status as an international organization and expanding its coverage of privileges and immunities, and building a world class internal audit function, will round out a proactive approach to risk management.

24. The Secretariat will also be continuing its evolution of GCF's systems to become an intelligent and data-driven organization that is ready to harness the power of rapidly advancing technology. Operationalization of the Enterprise Oracle Centre-of-Excellence will provide governance for the GCF enterprise resource planning (ERP) system, with expected productivity and transparency gains through more integrated workforce planning, financial planning and analysis, budget execution reporting, procurement, travel, expenses and people management. IT systems and security will be enhanced substantially, including through the development of internal Standard Operating Procedures (SOPs) in readiness for and uptake in the use of artificial intelligence, establishment of critical real-time cyber security operations monitoring capability, and the enablement of AI to accelerate review of concept notes and funding proposals, enhance dashboard reporting and data-driven decision making, and support backend finance and HR operations. Together with an agile approach to corporate performance management and robust change management practices, enhanced business intelligence reporting and analytics are expected to promote operations excellence and a continued 90%+ rate of budget execution, building a strong track record of efficient administration.

25. The Fund's portfolio management, results and impact, risk and technology focus will be underpinned by a continuous focus on data quality and governance, including through the development and implementation of a data governance framework, SOPs, guidelines and tools. The Secretariat will pursue International Organization for Standardization certification (ISO certification) on data governance and management by 2028 and aims to achieve external recognition of GCF's data governance model as a leading practice by peer institutions, providing credibility to the Fund's role at the epicentre of climate finance data and potential to set benchmarks for the entire climate finance space.

26. Over the first two years of USP-2, the Efficient GCF initiative has made substantial progress in critical areas: from strengthening the Readiness Programme and reforming accreditation, to accelerating the project cycle—pursuing the commitment to move concept notes to Board-ready funding proposals within nine months. These efforts have translated into measurable results - for example, the median time to appraise a concept note, for new concept notes submitted in 2025 is 55 days, down from more than a year in the past. The new FP appraisal process as well as the real-time monitoring dashboard sets the Secretariat on track for the 9-month target.

27. The Secretariat will continue to focus on the implementation of Efficient GCF reforms, and operational excellence in key capabilities including HR, IT and Finance. In 2026, the Secretariat expects to realize further improvements in efficiency, and over 2027 and 2028, demonstrate sustained impact. The Secretariat will continue to pursue simplification and reforms focused on excellence and efficiency in areas including programmatic approaches and SAP finance and risk related policies. This continues the institutional strengthening necessary to manage a scaling organization and maturing portfolio.

28. To facilitate delivery of the 30+ policy items on Board workplan update for 2025-2027, the Secretariat also plans to continue its efforts to support effective governance through enhancing processes, systems and capacities to support an informed, engaged and effective Board. Continuing the reform trajectory in 2025, successful finalization and implementation of key policy reforms – in 2026, in particular restructuring and cancellations, financial inputs from other sources (including alternative sources), country ownership and project and partner costs – will be crucial to enabling access, impact and efficiency through a rationalized, simplified and more coherent GCF policy suite. The Secretariat will also advance GCF’s approach to observer engagement, stakeholder participation and information disclosure to inform holistic reforms in these areas.
29. Maturing treasury, finance and risk capabilities to effectively manage commitment authority with balance sheet optimization and support the implementation of financial inputs from other sources will be a key focus, along with continuous improvement and review of performance of risk models, systems, portfolio analytics, liquidity and market risk management capacity. The Secretariat will establish the foundational system, processes, and data structure to implement key budget KPIs mandated by the Board for annual planning and strengthen fiscal year audit processes; and further consolidate and institutionalize compliance risk learnings through thematic reviews, feedback loops, and integration into project development tools.
30. Action under all three of the Secretariat’s objectives will fundamentally be directed toward readying GCF for its third replenishment and 2028-2031 strategic programming period, during which the world will cross the critical decade for climate action. In the context of replenishment, by 2027 GCF aims to be in a position to showcase itself as a partner of choice for developing countries that has significantly improved access; a fund of choice for contributors with an innovative and impact-driven strategy, demonstrated results and proven track record of effective and efficient administration; and an employer of choice for its people with high rates of employee satisfaction, engagement and performance.
31. Over 2026 and 2027, in addition to the delivery of USP-2, the Secretariat will enable the development of the 2028-2031 Strategic Plan (USP-3) and the GCF-3 replenishment, in collaboration with the Board and informed by robust engagement and consultation. In this 2026-2028 work programme, the Secretariat investments and activities are designed to set the essential foundation – of partnerships, programming, results, policies, financials, data and people – for successful resource mobilization through an empowered network of champions, a strong contributor base, and capital mobilization toolkit that can pave the way to GCF-3 and the 50by30 vision; and illustrate transition to GCF-3 delivery in 2028.

V. Programming projections

32. The tables below set out three-year projections for key programming and implementation metrics. Annual programming goals have always been based on a number of factors, including an assessment of the GCF commitment authority and scenarios for financial planning, resources committed for RPSP and PPF, an evaluation of the project pipeline, and assumptions regarding both the approval of the Secretariat’s budget requests and policy development. In relation to commitment authority, programming goals may be affected by some uncertainty as it relates to realization of contributions as well as fluctuations in the currencies of GCF’s contributions. Projected implementation outputs are likewise based on assumptions such as the programming projections, current understanding of FAA implementation and disbursement schedules, rate of restructuring, and an understanding of resources available to support implementation. Reporting against these projections will be included as per past practice in the regular Report on the Activities of the Secretariat.

33. Table 1 sets out reporting metrics for accreditation:

Table 1: Accreditation

Metrics	Projections		
	2026	2027	2028 -
New accreditation applications progressed by the Secretariat from Stage I to Stage II (Step 1) under institutional accreditation	35-40 (with accreditation reforms and current framework in parallel)	40-50 (under accreditation reforms)	40-50 (under accreditation reforms)
Number of AEs in network	Total: 206 DAE: 141 IAE: 65	Total: 251 DAE: 175 IAE: 76	Total: 296 DAE: 209 IAE: 87

34. Table 2 sets out reporting metrics for the readiness programme and PPF:

Table 2: Readiness and Preparatory Support Programme and Project Preparation Facility

Metrics	Projections		
	2026	2027	2028
New proposals approved and approved amount (USD million)	100 (258.7M)	45 (76.3M)	100 (300M))
Cumulative portfolio (all approved grants from inception including closed/cancelled)	974 (1061.5M)	1,019 (1,137.8M)	1,069 (1,237.8M)
Grants closed and amount (USD million)	Annual: 126 (56.6M) Cumulative: 452 (265.6M)	Annual: 100 (50M) Cumulative: 552 (315.6M)	Annual: 42 (88M) Cumulative: 594 (403.6M)
Readiness portfolio under implementation (i.e. total cumulative approved proposals legally effective and/or expired excluding closed grants)	Cumulative: 522 (795.9M)	Cumulative: 467 (822.2M)	Cumulative: 475 (834.2M)
Disbursements (for grants under implementation)	Annual: 114.6M Cumulative: 613.3M	Annual: 133.75M Cumulative: 747.05M	Annual: 158.75M Cumulative: 905.8M
Share of approved readiness proposals receiving disbursements	90%	90%	90%

Metrics	Projections		
	2026	2027	2028
No-cost extensions and change requests processed	15% of portfolio (80 requests)	15% of portfolio (80 requests)	15% of portfolio (75 requests)
Total grants completed & amount (USD million)	Annual: 70 (88M) Cumulative: 209 (156.7M)	Annual: 50 (71M) Cumulative: 259 (227.7M)	Annual: 20 (44M) Cumulative: 279 (271.7M)
New requests approved and approved amount (USD million)	19 PPF requests (12M) where at least 12 are from DAEs (7.7M)	21 PPF requests (13.9M) where at least 14 are from DAEs (8.9M)	23 PPF requests (16.1M) where at least 16 are from DAEs (10.3M)
PPF proposals closed and amount (USD million)	Grants: 10 (6.7M) Services: 6 (4.0M)	Grants: 12 (8.0M) Services: 7 (4.7M)	Grants: 14 (9.5M) Services: 8 (5.5M)
PPF portfolio under implementation (i.e. total cumulative approved proposals legally effective and/or expired excluding closed grants)	Cumulative: Grants: 39 PPF Service: 9	Cumulative: Grants: 37 PPF Service: 10	Cumulative: Grants: 35 PPF Service: 11
Disbursements to the portfolio under implementation	Annual: 12.3M Cumulative: 22.8M	Annual: 13.8M Cumulative: 21.8M	Annual: 15.5M Cumulative: 20.8M
Total PPF proposals completed and amount (USD million)	Grants: 5 (3.3M) Cumulative: 20 (13.4M) Services: 12 (4.4M) Cumulative: 25 (9.2M)	Grants: 2 (1.3M) Cumulative: 10 (6.7M) Services: 13 (4.8M) Cumulative: 37 (13.6M)	Grants: 3.5 (2.3M) Cumulative: 15 (10.0M) Services: 14 (5.2M) Cumulative: 55 (20.1M)

35. Table 3 sets out reporting metrics for funded activities:

Table 3: Funding proposal programming, PSAA and implementation

Metrics	Projections		
	2026	2027	2028
Total new funding proposals and amount sent to the iTAP (USD million)	Total: 46-51 funding proposals (3,105M-3,450M) Public: 31-34 funding proposals (1,862-2,070M) Private: 15-17 funding proposals (1,242-1,380M)	Total: 42-51 funding proposals (2,990M-3,450M) Public: 28-34 funding proposals (1,794-2,070M) Private: 14-17 funding proposals (1,196-1,380M)	Total: 60-70 funding proposals (4,143M-5,041M) Public: 41-46 funding proposals (2,486-3,025M) Private: 19-24 funding proposals (1,657-2,016M)
SAP proposals and amount sent to iTAP (USD million)	Total: 13-16 funding proposals (269M-310M) Public: 11-13 funding proposals (224M-255M) Private: 2-3 funding proposals (45M-55M)	Total: 10-13 funding proposals (225M-276M) Public: 8-10 funding proposals (180M-221M) Private: 2-3 funding proposals (45M-55M)	Total: 15-18 funding proposals (349M-400M) Public: 12-14 funding proposals (283M-317M) Private: 3-4 funding proposals (166M-202M)
Direct access proposals and amount sent to iTAP (USD million)	Total: 14-17 funding proposals (621-690M) Public: 12-14 funding proposals (532-567M) (7-10 New DAE) (140-200M) Private: 2-3 funding proposals (89-123M)	Total: 14-17 funding proposals (621-690M) Public: 12-14 funding proposals (532-567M) (7-10 New DAE) (154-220M) Private: 2-3 funding proposals (89-123M)	Total: 19-23 funding proposals (1,036-1,260M) Public: 17-19 funding proposals (872-987M) (8-10 New DAE) (184-230M) Private: 3-5 funding proposals (164-273M)

Metrics	Projections		
	2026	2027	2028
Adaptation proposals and amount sent to iTAP(USD million), including share to SIDS/LDCs/African States	Total: 17-19FPs (547-635M) Public: 15-16 funding proposals (467-525M) Private: 2-3 funding proposals (80-110M)	Total: 15-20FPs (500-645M) Public: 13-17 funding proposals (420-535M) Private: 2-3 funding proposals (80-110M)	Total: 19-22FPs (713-871M) Public: 16-18 funding proposals (621-756M) Private: 3-4 funding proposals (91-115M)
PSAA proposals and amount sent to iTAP (USP million)	Total: 7-9 PSAA proposals (236-315M)	Total: 3-4 PSAA proposals (105-140)	Total: 0 PSAA proposals (0M) ²
FAAs signed and total FAAs signed ³	Annual: 37 – 42 Cumulative: 331-346 Public: 25-28, 255-266 cumulative Private: 12-14, 76-80 cumulative	Annual: 34 – 42 Cumulative: 365-388 Public: 23-28, 278-296 cumulative Private: 11-14, 87-94 cumulative	Annual: 40 – 48 Cumulative: 405-436 Public: 26-32, 304-326 cumulative Private: 14-16, 101-110 cumulative
FPs completed and amount (USD million)	Annual: 35 (1,039M)	Annual: 40 (1,020M)	Annual: 30 (881M)
Active FP portfolio (i.e. total/cumulative approved FPs under implementation - not including completed FPs)	Cumulative: 250-274	Cumulative: 283-312	Cumulative: 301-331
Disbursements	Annual: 1,073-1,193 Cumulative: 6,970M-7,090M	Annual: 1,151M-1,279M Cumulative: 8,122M-8,369M	Annual: 1,178M-1,309 Cumulative: 9,301M-9,679M
Share of funding proposals under implementation	85%	85%	85%
Share of funding proposals receiving disbursements	80%	80%	80%

² The PSAA pilot will accept applications until 31 March 2026, and complete the appraisal of remaining projects in the pipeline throughout 2026.

³ Numbers contingent on KPI for FP submission to iTAP being met.

Metrics	Projections		
	2026	2027	2028
% portfolio subject to adaptive management action (NB major change requests)	Total: 40% Non- Major change, Major change: 5%	Total: 40% Non- Major change, Major change: 5%	Total: 40% Non- Major change, Major change: 5%

VI. Proposed 2026 to 2028 administrative budget of the GCF including the Board, the Secretariat and the Trustee

36. An overview of the proposed 2026-2028 Board, Secretariat and Trustee budget is provided in Table 4 below. The overview is followed by individual sections covering the Board, the Secretariat and the Trustee. Before contingency, overall, the 2026 budget represents a total increase of USD 12.2 million (10 per cent) above the 2025 approved budget, or USD 14.1 million (12 per cent) above 2025 forecast. This is broadly in line with the overall 2026 provisional budget approved in decision B.40/11 except for the Trustee budget due to an increased management cost payable to the Trustee for managing a higher cash investment for GCF (covered in more detail in the Trustee budget section). It is noted that the overall budget estimates for 2027 are also broadly in line with the provisional budgets for 2027 approved in decision B.40/11 except for the Trustee for the same reason. A slight increase in requested budgets amounting to USD 250,000 for the Secretariat over the provisional budgets from B.40 for 2026 and 2027 is linked to the transfer of work from the Independent Evaluation Unit to the Secretariat that was decided at B.42. The budget for 2028 was prepared using a similar trajectory in both contributions and programming that is consistent with 2026 and 2027. As work on the next replenishment cycle (GCF-3) and related updates to the Strategic Plan for the GCF for that programming period have yet to be considered, budgets for 2027 and 2028 are provisional, and would be updated in upcoming multi-annual work planning and budgeting processes to reflect GCF-3 and USP-3 when approved. It is instrumental to note that provisional budgets approved by the Board are subject to review, and re-approval by the Board as part of each annual budgeting cycle.

37. As noted in the first multi-year budget document presented at B.40, initiatives that are contingent on future Board decisions, such as further Board direction on regional presence, are not factored into the budget and will be incorporated into the next year's budgeting process with any shortfalls in 2026 addressed through the Board contingency budget.

38. Building on lessons learned in the preparation of the first multi-annual budget document at B.40, the Secretariat would like to highlight some of the more visible changes that have been made to the presentation of this document. The first is the presentation of separating budgetary lines for consultants and interns to provide more transparency. The second is the presentation of the Board budget in two formats: the first of which is how the Board budget has been historically presented, the second of which presents the budget organized based upon major activity.

39. Consistent with the multi-annual budget presented at B.40, as per the Administrative Budgeting and Accounting Framework (ABAF), GCF has moved to two different contingency budgets, the emergency contingency budget to be used for true emergencies such as cyber-attacks, unexpected lawsuits, outbreak of conflict, pandemics, etc. and the Board contingency budget to be used for unexpected items related to the Independent Units' programmatic work

which includes, unexpected evaluations, investigations, and cases, as well as unbudgeted Board mandates. Unbudgeted Board mandates should be at least partially executed in the period between multi-year budget approvals and incorporated into the next multi-year budget. For the emergency contingency budget, GCF is taking 2% or approximately USD 2.7 million for 2026, on the sum of all GCF budgets as set in the ABAF. For the Board contingency budget, in consultation with the Budget Committee, the level was set at 1.5%, USD 2.0 million, for 2026. In 2025, it is expected that the Board contingency budget will only be accessed for an amount equal to approximately 10% of the 2025 Board contingency budget, to address higher than expected caseload in the Independent Redress Mechanism (IRM) but is not represented here as this request is to be presented at B.43.

Table 4: Proposed administrative budget for 2026-2028 (USD in thousands)

Code	A Budget category/ subcategory	B 2025 Approved budget	C 2025 Forecast	D Proposed 2026 budget	E= (D-C)÷C % change over 2025 Forecast	F Proposed 2027 budget	G Proposed 2028 budget	H= (F-D)÷D % change over 2027 proposed	I=(G-F)÷F % change over 2028 proposed	J 3 Year CAGR
1	Board	4,935	4,418	5,017	14%	5,094	5,231	2%	3%	6%
2	Secretariat	110,502	109,136	120,833	10%	128,767	140,545	6%	9%	9%
3	Trustee	4,750	4,750	6,547	38%	6,906	6,896	5%	0%	13%
	Total Before Contingency	120,187	118,304	132,397	12%	140,767	152,672	6%	8%	9%
	Board Contingency (1.5%)	1,873	-	2,039	n/a	n/a	n/a	n/a	n/a	n/a
	Emergency Contingency (2%)	2,497	-	2,719	n/a	2,886	3,133	6%	9%	n/a
	Grand total	124,557	118,304	137,155	15%	143,653	155,805	5%	8%	10%

6.1 Board Budget

40. The costs relating to the Board, detailed in the format consistent with past reporting in Table 5, cover expenditures associated with logistical arrangements for and travel to Board meetings; Co-Chair, Co-chair team and Board representative travel on GCF related missions; and inter-sessional meetings of Board committees, panels and working groups.

Table 5: Board: Proposed administrative budget for 2026-2028 (USD in thousands): historical format

Code	A Budget category/ subcategory	B 2025 Approved budget	C 2025 Forecast	D Proposed 2026 budget	E= (D-C)÷C % change over 2025 Forecast	F Proposed 2027 budget	G Proposed 2028 budget	H= (F-D)÷D % change over 2027 proposed	I=(G-F)÷F % change over 2028 proposed	J 3 Year CAGR
1.1	Board									
1.1.1	Board representative travel	1,130	1,062	1,077	1%	1,186	1,295	10%	9%	7%
1.1.2.	Venue and logistics	403	406	330	-19%	344	344	4%	0%	-5%
1.1.3.	Professional services	50	100	304	205%	364	374	20%	3%	55%
	Sub-total: Board	1,583	1,568	1,711	9%	1,894	2,013	11%	6%	9%
1.2	Co-Chair and Board representative travel									
1.2.1	Co-Chair and Board representative travel	23	22	10	-56%	10	12	0%	23%	-18%
	Sub-total: Co-Chair and Board representative travel	23	22	10	-56%	10	12	0%	23%	-18%
1.3	Board committees, panels and working groups									
1.3.1	Board representative travel	424	123	421	241%	462	497	10%	8%	59%
1.3.2	Venue and logistics	11	3	5	50%	7	7	40%	0%	28%
1.3.3	Compensation of Board panels: Accreditation Panel ^a	798	801	778	-3%	783	783	1%	0%	-1%
1.3.4	Compensation of Board panels: Technical Advisory Panel ^b	1,545	1,485	1,553	5%	1,557	1,557	0%	0%	2%
1.3.5	Professional Services	550	416	540	30%	382	362	-29%	-5%	-5%
	Sub-total: Board committees, panels and working groups	3,328	2,828	3,297	17%	3,190	3,206	-3%	0%	4%
	Grand total	4,935	4,418	5,017	14%	5,094	5,231	2%	3%	6%

^a Assumes six panel members and three technical experts working an average of up to ten days per month, one consultant to conduct performance review of AP and one AP operations support consultant.

^b Assumes ten panel members on monthly fixed honoraria rates, technical consultants and one operation support consultant.

41. While there has been some reallocation between the lines primarily based upon projected 2025 execution rates, the overall Board budget request for 2026 is in line with the provisional budget approved at B.40. The overall provisional request for 2027 is the same as the provisional request at B.40 and the provisional request for 2028 is a roughly 2.5% increase primarily capturing anticipated travel specific inflation-linked increases. In line with GCF practice, and without prejudging the Board decisions on the number of meetings, the number of days, format or the venue of those meetings, the allocated Board budget allows for 3 Board meetings in person. The professional services line for 2026 allows for the delivery of a training and development program for Board members being proposed by the Co-Chairs and other expenses related to Board governance matters. In those areas, there will be further enhancement in 2027, approaching a steady state in 2028.

42. The Board committees, panels and working groups budget includes costs related to the Accreditation Panel (AP), Independent Technical Advisory Panel (iTAP) and the Indigenous People Advisory Group (IPAG). Established through the Indigenous Peoples Policy, the IPAG functions to enhance coordination between GCF, accredited entities and executing entities, States and Indigenous Peoples (IPs) in relation to matters concerning IPs. The roles and functions of the IPAG are conducted with the support of the Secretariat. The current membership which ends 2026, is made up of 6 Indigenous representatives. In the upcoming 2027-2029 term, there is an opportunity to broaden participation of other regions, including in the Pacific by adding two additional members. As IPAG is a relatively new activity with lessons learned being actively incorporated, future adjustments to the budget may need to be made. Making adjustments to the IPAG activity transparent was part of the desired outcome in presenting the Board budget in a different format that highlights budgets by major activities versus categories.

43. For 2026-28, the budget for professional services for the Board committees, Panels and working groups is budgeted separately from the Board itself, but more transparency can be added to this line when presented in the major activity format. The proposed annual professional services budget for the iTAP is now zero after eliminating annually recurring professional services. The remaining professional services budgeted for 2026 cover individual performance reviews for iTAP member re-appointment. iTAP appointments are for 3 years. The budget for AP, after having been significantly lowered in 2025 to account for the reduction in the technical consultants' budgets based upon actual observed usage, is being held relatively constant. Using the major activity format, it can be seen that professional services for the AP decreases as the Revised Accreditation Framework is implemented. The numbers are estimates and will need to be revisited throughout the implementation process.

44. The costs relating to the Board, detailed in a new format in Table 6, cover the same expenditures but organized according to major activity of the Board.

Table 6: Board: Proposed administrative budget for 2026-2028 (USD in thousands): major activity format

Code	A Budget category/ subcategory	B 2025 Approved budget	C 2025 Forecast	D Proposed 2026 budget	E= (D-C)÷C % change over 2025 Forecast	F Proposed 2027 budget	G Proposed 2028 budget	H= (F-D)÷D % change over 2027 proposed	I=(G-F)÷F % change over 2028 proposed	J 3 Year CAGR
1.1	Board									
1.1.1	Board travel	1,154	1,084	1,086	0%	1,196	1,307	10%	9%	6%
1.1.2	Consultants	-	-	88	100%	118	118	34%	0%	10%
1.1.3	Venue and logistics	403	406	426	5%	440	440	3%	0%	2%
1.1.4	Professional services	50	100	120	20%	150	160	25%	7%	17%
	Sub-total: Board	1,606	1,590	1,720	8%	1,904	2,025	11%	6%	8%
1.2	Accreditation Panel (AP)									
1.2.1	AP travel	162	-	162	100%	162	171	0%	6%	2%
1.2.2	Consultants	798	801	778	-3%	783	783	1%	0%	-1%
1.2.3	Venue and logistics	6	-	-	0%	-	-	0%	0%	0%
1.2.4	Professional services	300	250	386	54%	320	300	-17%	-6%	6%
	Sub-total: Accreditation Panel (AP)	1,266	1,051	1,326	26%	1,265	1,254	-5%	-1%	6%
1.3	Independent Technical Advisory Panel (ITAP)									
1.3.1	ITAP travel	152	76	149	95%	149	161	0%	8%	28%
1.3.2	Consultants	1,545	1,485	1,553	5%	1,557	1,557	0%	0%	2%
1.3.3	Venue and logistics	-	-	-	0%	-	-	0%	0%	0%
1.3.4	Professional services	250	100	121	100%	-	-	-100%	0%	- 100%
	Sub-total: Independent Technical Advisory Panel (ITAP)	1,947	1,661	1,823	10%	1,705	1,718	-6%	1%	1%
1.4	Indigenous Peoples Advisory Group (IPAG)									
1.4.1	IPAG travel	111	111	110	-1%	151	166	37%	10%	14%
1.4.2	Consultants			33	100%	62	62	88%	0%	37%
1.4.3	Venue and logistics	5	6	5	-17%	7	7	40%	0%	5%
1.4.4	Professional services	-	-	-	-	-	-	-	-	-
	Sub-total: Indigenous Peoples Advisory Group (IPAG)	116	117	148	27%	220	235	49%	7%	26%
	Grand total	4,935	4,418	5,017	14%	5,094	5,231	2%	3%	6%

6.2 Secretariat Budget

45. A more detailed overview of the proposed 2026-2028 Secretariat budget is provided in Table 7 below. As outlined above, the budget request for the 2026-2028 work programme is premised on the continued execution of the 2025-2027 work programme endorsed at B.40, reflecting full delivery of USP-2, and updated here for 2026 and 2027. It is also premised on the anticipated growth in portfolio and complexity in line with the current trajectory for the 2028 proposed provisional budget. When the ABAF was approved by the Board at B.38, it was recognized that a rolling budget would create a scenario where years covered by the multi-year budget were not linked to a Board approved strategic plan. To address this, under guidance from the Budget Committee, the 2028 budget was constructed in a bottoms-up manner assuming a similar programming target to 2027 and estimated growth in the portfolio consistent with recent years.

46. The multi-year budget presented here represents the Secretariat's continued need for a progressive, staged increase in both staff and non-staff budget lines, equipping the Secretariat to deliver the growth in programming and portfolio, and strengthening of critical institutional capacities. As earlier mentioned in the document, discussions regarding GCF's next replenishment and strategic plan will continue to evolve, and any significant changes will require a reassessment of the numbers contained in this budget for 2027 and 2028. In developing this second multi-annual work programme and budget, the Secretariat revisited the rigorous internal prioritization process and trade-offs made in producing the provisional budgets for 2026 and 2027 presented at B.40 and applied the same discipline regarding how much the Secretariat can achieve in 2026. Efficiencies across programming, such as the screening processes of concept notes and funding proposals, and processes, such as the implementation of the enterprise resource planning system (ERP), are underway, and this has supported the planned increases in programming in 2025.

47. Contingency budgets continue to be applied across all budgets as per the ABAF and have been moved to the total administrative budget contained in Annex II of this document.

48. A tangible result of the continued investment in GCF's institutional finance function is the continued improvement in the accuracy of GCF's budgeting process. The Secretariat continues to follow the principle of asking for what is needed and using what is asked for. Budget execution for 2025 is currently projected at 98% and confidence in this projection is higher than it has been historically in part because of this improvement in systems and processes.

49. The 2026 budget represents a total increase of USD 11.697 million, 10% above projected 2025 execution levels. Referring to headline unit output levels indicated in the work programme this request is relative to an anticipated 30% increase in programming levels and more than 60% increase in the size of the GCF portfolio by 2028.⁴ The Secretariat continues to stress that the increase is not solely or even primarily attributable to raised unit output levels but also reflects the Secretariat's investment in the quality of GCF's programming, results and impact; major access and policy reforms; and critical people, risk, finance, data and governance capacities that underpin effective and efficient fund administration.

50. The Secretariat continues to report its multi-year metric in Table 7, the 3-year CAGR. This metric provides visibility on how each budget line is moving over the entire multi-year period, expressed here as the CAGR from the forecast execution in 2025 to the proposed budget

⁴ Based on the portfolio as at September 2025 and anticipated programming to the end of 2028.

in 2028. Over this period the overall budget would grow on a straight-line basis by 9% each year over the next 3 years if the Secretariat were to execute 100% of its proposed budget in 2028. However, given GCF's execution rate cannot exceed 100%, the realized 3-year CAGR would be lower. In 2025, additional financial metrics have been recommended by an external consultant. These metrics will be reviewed by the Secretariat and with further consultation with the Budget Committee, target to be progressively implemented from 2026 onwards.

51. In the preparation of this budget, the Secretariat has continued to apply the principles established when producing the first multi-year budget in 2024 which include only budgeting for what is mandated, approaching progress in a stepwise manner by considering the limitations on what can be achieved in a single year, and foregoing any supplementary budgets by maintaining only one consolidated budget.

Table 7: Overview of the proposed administrative budget for 2026-2028 (USD in thousands)

	A	B	C	D	E= (D-C)÷C	F	G	H= (F-D)÷D	I=(G-F)÷F	J
Code	Budget category/ subcategory	2025 Approved budget	2025 Forecast	Proposed 2026 budget	% change over 2025 Forecast	Proposed 2027 budget	Proposed 2028 budget	% change over 2027 proposed	% change over 2028 proposed	3 Year CAGR
2.1.1	Full-time staff	74,993	75,252	87,794	17%	93,926	103,184	7%	10%	11%
2.1.2	Consultants	4,620	5,300	4,413	-17%	3,115	2,038	-29%	-35%	-27%
2.1.3	Interns	746	543	746	37%	1,003	1,100	34%	10%	27%
2.2	Travel	4,019	3,872	3,972	3%	4,330	4,673	9%	8%	6%
2.3.1	Contractual services	9,742	8,630	8,710	1%	10,316	12,283	18%	19%	12%
2.3.2	General operating costs	2,807	2,774	2,398	-14%	2,838	3,381	18%	19%	7%
2.3.3	Information and communications technology	9,789	9,411	9,800	4%	9,940	10,187	1%	2%	3%
2.3.4	Depreciation	3,786	3,353	3,000	-11%	3,300	3,700	10%	12%	3%
	Grand total	110,502	109,136	120,833	10%	128,767	140,545	6%	9%	9%

52. **Staff.** Hiring the most competent and professional full-time staff remains the primary area of investment for GCF. As described in the multi-year budget presented at B.40, the Secretariat considers progressive growth of its staff cohort essential to delivering the workplan and the USP-2. In 2025, the Secretariat added the critical staff needed in the Department of Monitoring Evaluation Learning; Safeguards; Legal; Risk; Finance; Treasury; and Policy, in line with the plans communicated in 2024 and within the approved overall budget. This strengthening will continue in 2026 with further planned hires in these areas as well as in the Programming team, to support management of the growing portfolio.

53. In 2026, the new salary structure approved at B.42 will be implemented. This, together with the operationalization of the full range of staff contracting modalities, will address a long-standing challenge whereby GCF has relied solely on individual consultants to address specific skills gaps, manage project-based work, or respond to cyclical surges in workload.

54. Given the new salary scales were approved at B.42, one Board meeting later than anticipated when constructing the first multi-year budget in 2024, that implementation has been scheduled for 1 January 2026. This budget incorporates the impact of the new salary structure in 2026. The review of the 2025 salary scales and recommendation for the Board's consideration is contained in annex III to this document.

55. **Consultants and interns.** At the request of the Board, the line historically reported as "Consultants and interns" has been split to separate out the consultant budget from the intern budget to provide transparency. Based on internal guidance, the intern cohort at GCF is currently held to 10% of the total staff at any given time, and the budget for this line is relatively stable. While this line is likely to be under executed for 2025, GCF budgets and works toward full utilization, and execution is dependent upon matching the needs of hiring managers with qualified available applicants.

56. The consultant line is currently forecast to exceed the approved budget which is consistent with historical execution. A portion of this line is used to cover parental leave and unexpected leaves for illness and other personal matters; GCF budgets for this based upon historical averages, but volatility is expected. The other component of this budget line is managed by trying to maintain a delicate balance between staff departures and recruitment timelines as well as components linked to specialized skills needed for specific projects that scales depending on the number and types of projects that are brought forward for Board consideration. Typically, an over execution in the consultant line would be accompanied by an under execution in the staff line, however, this year GCF's recruitment efforts exceeded expectations heading into the second half of the year and a record number of funding proposals were brought forward. The added staff capacity this year and budgeted for future years allows the Secretariat to lower consultant budget requests in the coming years as the ability to cover gaps within teams grows.

57. **Travel.** The proposed budget for 2026 travel represents a 2% growth over the forecasted amount for 2025 which is itself almost USD 400,000 more than the expenditures on travel in 2024. Travel is expected to grow mainly linked to the growth in the pipeline and portfolio, as well as continuing to scale with the size of the Secretariat. Two thirds of the travel budget in 2025 was related to programming outputs increasing access and delivering impact and results. Regional presence will bring GCF closer to the countries it serves, and maintaining the travel budget following regional presence will allow for expanded engagement through a significant increase in the number of in-region and country engagements with the same budget. Despite this GCF continues to explore ways of reducing travel costs through efficiencies. GCF continues to monitor the travel policy for mission travel at comparator organizations such as the United Nations, World Bank, Asia Development Bank, Asia Infrastructure Investment Bank, Global Green Growth Institute, and the UNFCCC, and it remains in line or more conservative despite GCF's Headquarters being far from the majority of its portfolio.

58. **Contractual services.** The proposed budget for 2026 contractual services is 1% over the projected execution for 2025. Historically, the under execution in contractual services is the highest aside from Full-time staff, but as budgeting accuracy continues to improve, under execution continues to drop. Realizing the benefits in 2025 that were envisioned in 2024 with the new ERP, GCF has been actively using the ability to track spend against individual budget items from the purchase request when budget is consumed to when the expenditure is recorded after payment for the good or service, all in one system. This capability has greatly increased the Secretariat's confidence in execution as represented by bringing the requested budget closer to current year forecast. While the need for professional services increases in line with the level of programming and size of the portfolio, GCF is committed to finding efficiencies in this line and addressing needs with the added staff capacity. Under a multi-annual budget framework, 2025

was the first year that GCF has been able to carry over budget from the prior year where necessary, such as for contracted items expected to be delivered in the prior year but were delayed for a legitimate reason. As 2025 was the first year of implementation, the Secretariat provided the Budget Committee a complete inventory of budget items carried over and the rationale. The amount carried over was USD 777,904 and has been partially executed as of the writing of this document. The Secretariat has observed the behavioural changes desired when the proposal was put forward, facilitating a smoother year-end process instead of an unnecessary urgency solely driven by the fear of lost budget in the final quarter of a fiscal year.

59. Last year, GCF reported incorporating into the budget, several large increases because of Board mandates approved throughout the year. A new cost-benefit analysis and alignment with strategic priorities was conducted upon the arrival of the new Chief Finance and Risk Officer regarding the hedging of foreign exchange risk. It was determined that the anticipated Treasury Services contract was not cost effective and the budget was better utilized building capacity within GCF's Treasury, which explains some of the shift of budget request from the contractual services line to the full-time staff line. Currently GCF is in negotiations with several counterparties to enable foreign exchange risk management internally. This shift in strategy will still require a discussion with the Board on how to effectively implement a collateral management program for risk management activities. The fees for the external auditor will continue to rise as the depth and breadth of their external audit continues to increase as reported last year. External legal counsel continues to be engaged for specialist expertise (e.g. specialist jurisdiction or instrument expertise) and as a risk mitigation measure where significant innovation in certain structures increases transaction risk. GCF has made the desired investments in 2025 into communications and its data strategy to support the monitoring, evaluation and learning function and this investment continues for the duration of this budget. The realized benefits include but are not limited to an enhanced data repository housing information from across all of GCF's disparate systems, as well as a measured improvement in engagement with GCF's external stakeholders. More results are expected as more funds are committed.

60. **Information and communication technology (ICT).** In alignment with other lines in this proposed budget, the proposed ICT budget for 2026 reflects a modest increase, brought closer to forecasted levels. While the overall Secretariat budget continues to grow at a faster pace, the ICT line remains below industry benchmarks as a percentage of total spend. This year saw the successful implementation of key ERP modules such Human Capital Management and Travel and Expenses, which Board members will begin to directly interact with directly. Looking ahead, the focus for 2026 will be stabilizing the ERP platform and unlocking further efficiencies from existing modules. As ERP-related investments shift from capital expenditure to recurring costs – primarily software licenses and agile enhancements – GCF is strategically redirecting its technology investment toward strengthening cybersecurity and accelerating the adoption of artificial intelligence (AI). These efforts aim to enhance process automation, drive stronger use adoption, and improve productivity across GCF operations all within a better protected technology environment.

61. One such initiative includes sourcing a loan management system to improve transparency in liquidity management and financial reporting, while also supporting program teams in managing AE relationships and financial accountability. Given the rapid evolution in AI technologies, future budgets may require significant adjustments to accommodate emerging needs and opportunities. By the end of 2026 GCF is expected to fully retire several legacy systems including the FACT accounting system, SAP SuccessFactors, the proprietary payroll system, and outdated procurement systems-marking a major step forward in modernizing its digital infrastructure.

62. **Depreciation and General operating costs.** The proposed budget for depreciation in 2026 is USD 3.0 million dollars, increasing to USD 3.7 million dollars in 2028. Depreciation is forecast to reach approximately 90% of the approved budget in 2025 and the proposed budget for 2026 is 11% below that forecasted execution. With implementation of the currently planned modules of the ERP being completed in 2025, and no further significant capital expenditures planned at this time, the depreciation line has reached a relatively stable state for now. Increases in this line are more reflective of investments in physical assets, such as office improvements and technology devices, that scale with the growth of the Secretariat. Referring to the narrative in the information and communication technology budget line, there are potentially some significant further investments in technology which could be represented in the budgets in either of these lines based on the relevant accounting treatment applied. The Secretariat has executed nearly its full general operating cost budget in 2025 which covers utilities, security, cleaning services, plant maintenance, office supplies, subscriptions, and many other items critical to GCF's operations. The proposed budget for 2026 shows a 14% decrease to the 2025 forecast representing a commitment by GCF to find efficiencies across all of these items before resuming an upward trend aligned with the growth of the organization.

6.3 GCF Trustee (World Bank) workplan and estimated costs for 2026-2028 (as submitted by the Trustee)

Table 8: Estimated Costs for 2026-2028 (USD in thousands)

Code	A Budget category/ subcategory	B 2025 Approved budget	C 2025 Forecast	D Proposed 2026 budget	E= (D-C)÷C % change over 2025 Forecast	F Proposed 2027 budget	G Proposed 2028 budget	H= (F-D)÷D % change over 2025 proposed	I=(G-F)÷F % change over 2026 proposed	J 3 Year CAGR
1.1	Financial & program management	936	936	941	1%	923	951	-2%	35	1%
1.2	Investment management	3,629	3,629	5,421	49%	5,791	5,746	7%	-1%	17%
1.3	Accounting & reporting	83	83	83	0%	86	89	4%	3%	2%
1.4	Legal services	102	102	102	0%	106	110	4%	4%	3%
	Grand Total	4,750	4,750	6,547	38%	6,906	6,896	5%	0%	13%

6.3.1 Description of the CY2026 Workplan extracted from Trustee's proposal:

63. The World Bank as Trustee provides a range of services for the Green Climate Fund (GCF) as defined in the Terms and Conditions for the Administration of the GCF Trust Fund. The budget for the trustee services provided to GCF is presented in four categories i.e., Financial and Program Management, Investment Management, Accounting and Reporting and Legal Services.

64. In accordance with the GCF Board's approval of the updated Accounting and Budgeting Framework in March 2024, and pursuant to discussions with the GCF secretariat, the Trustee Budget estimate for 2026 is being presented for approval, and alongside this, projections for 2027 and 2028 budget amounts. The 2027 and 2028 Trustee budget projections are indicative and expected to be finalized prior to each budget year.

65. Financial and Program Management fee covers services related to management and execution of financial transactions, including receiving and processing of contributions, recording allocations and commitments, executing cash transfers to recipients using World Bank financial systems and procedures, and regular financial reporting for the GCF Trust Fund. It includes collaboration with the GCF Secretariat, responding to day-to-day enquiries from the Secretariat, Contributors and other GCF constituencies and stakeholders, as well as ad hoc advisory and customized services as agreed with the GCF Secretariat.

6.3.2. GCF and Trustee Systems Integration

66. Following the selection by GCF of its Enterprise Resource Planning (ERP) provider in 2023, the GCF Secretariat and the Trustee have been collaborating on the work on the integration of GCF and Trustee systems with the objective of facilitating the exchange of information and automating the reporting- and transaction-related processes.

67. After the implementation of the initially agreed scope of the integration related to the automated submission and monthly reports on activities in the GCF Trust Fund and submission of cash transfer requests and cash transfer status updates, consultations between the GCF Secretariat and the Trustee have continued. The next area of integration identified is the automation and enhancement of the loan repayment process.

68. A budget of USD 45,000 for CY2026 is included for this workstream under the Financial and Program Management category, subject to adjustment by end-2026 based on actual costs for the workstream.

69. Investment Management fees are calculated based on a flat fee of 4.5 basis points (i.e. 0.045%) of the estimated average annual balance of the undisbursed cash in the GCF Trust Fund. For the budget estimate for CY2026, an average annual cash balance of USD 12.1 billion is assumed, based on the updated projection provided by the GCF Secretariat. Actual investment management costs may vary depending on the actual average liquidity balance in the GCF Trust Fund during CY2026.

70. Accounting and Reporting fee covers services including the management of the accounting model for the GCF Trust Fund, clearance of agreements, and maintenance of appropriate records, accounts and systems to support financial reporting.

71. Legal Services fee covers services including drafting, negotiation and preparing contribution agreements/arrangements and amendments, and other legal agreements, as needed.

6.3.3. CY2027-2028 Indicative Budget Estimates:

72. The indicative budget estimates for 2027-2028 assume the same level of activity for each of the Trustee services, adjusted for a 3% inflation factor, and average annual cash balances of US\$ 12.9 billion and US\$ 12.8 billion during 2027 and 2028, respectively, based on the GCF Secretariat's projections. The estimates do not include projected costs for systems integration. Such costs will be reflected in future budgets as needed based on the outcome of the consultations with the GCF Secretariat.

6.3.4. A Note on the Trustee Budget

73. Reviewers of the Trustee budget will notice a sizeable increase to the Trustee budgets for 2026 and 2027 from the provisional budgets approved at B.40. These increases arose mainly from higher management costs reported under the Investment Management line. An increase in investment under management as a result of high cash balances managed by the Trustee has resulted in this increase in management costs despite the same fee structure of 4.5 bps.

VII. 2026-2028 Secretariat work programme results framework

74. The table below sets out the proposed streamlined results framework for the 2026-2028 Secretariat work programme. Each objective has intended outcomes the Secretariat will work toward over the three-year period, with key deliverables planned each year. The Secretariat will continue tracking performance through the Report on the Activities of the Secretariat.

#	Intended outcomes	2026 deliverables	2027 deliverables	2028 deliverables
1. Enhancing country ownership and access				
1.A	Reformed & simplified access and partnership modalities	<ul style="list-style-type: none"> • Mainstream implementation of reformed accreditation modality • Issue screening report for newly submitted AE applications within 90 business days • Present review of PSAA • Present Country Ownership Guidelines, including no objection procedure 	<ul style="list-style-type: none"> • Total of 198 AEs in the GCF network, of which 130 are DAEs • Design readiness partnership framework to complement with MCFs and MDBs technical assistance 	<ul style="list-style-type: none"> • Evaluation of accreditation process • Evaluation of country ownership guidelines • Develop a partnership framework that allows for readiness complementarity with MCFs and MDBs • Examine opportunities for further streamlining accreditation
1.B	Strengthened country platforms for NDC/NAP/LTS implementation and inclusive, country-driven origination of GCF pipeline with suitable AEs	<ul style="list-style-type: none"> • Develop investment pipeline with at least 25 developing countries to advance implementation of NDCs/NAPs/LTS • Support an additional 5-10 countries in establishing or enhancing an existing country platform • Respond to 100% of GCF placement requests • Present update to GCF ESS and review inclusion policies 	<ul style="list-style-type: none"> • Develop investment pipeline with at least 25 developing countries to advance implementation of NDCs/NAPs/LTS • Support an additional 5-10 countries in establishing or enhancing an existing country platform • Respond to 100% of GCF placement requests • Conduct assessment of country-led approach 	<ul style="list-style-type: none"> • Review country-led platforms readiness support and its impact on investment programming • Support an additional 5-10 countries in establishing or enhancing an existing country platform
1.C	Strengthened DAE capacity for climate	<ul style="list-style-type: none"> • Respond to 100% of requests under DAE support window 	<ul style="list-style-type: none"> • Respond to 100% of requests under DAE support window 	<ul style="list-style-type: none"> • 25% of total volume of committed funding (USD) allocated to DAEs

#	Intended outcomes	2026 deliverables	2027 deliverables	2028 deliverables
	programming & implementation	<ul style="list-style-type: none"> All GCF placements hired and deployed in the region 	<ul style="list-style-type: none"> 29 new DAEs with approved FP cumulative 2024-2027 (doubling new DAEs with approved FPs) Analysis of DAEs policy coherence and policy impact 	<ul style="list-style-type: none"> Implementation of new capacity building support for the DAE window Review of readiness disbursement rates and DAEs streamline process
1.D	Simpler and more streamlined GCF policies and processes	<ul style="list-style-type: none"> Proposals move from concept note to Board ready within 9 months Embed digitalization of Concept Notes, Funding Proposals and Annual Progress Reports Implement AI to support accreditation, readiness; and assist AEs, NDAs, DAEs with submission of CN and FP Present Policy on Project and Partner Costs Complete second overall policy review focusing on policy coherence and impact Client experience survey and action planning 	<ul style="list-style-type: none"> Mature operational excellence framework with 10% measured gains in efficiency annually Review and update SAP policy Client experience survey and action planning 	<ul style="list-style-type: none"> Mature operational excellence framework with 10% measured gains in efficiency annually Full lifecycle integration of concept notes, funding proposals, APRs, and evaluations into a single digital ecosystem Automated generation of ex-ante impact projections for all funding proposals, aligned with revised IRMF Client experience survey and action planning

#	Intended outcomes	2026 deliverables	2027 deliverables	2028 deliverables
2. Delivering impact and results				
2.A	Pipeline management & programming aligned with country priorities & GCF-2 results and allocation targets	<ul style="list-style-type: none"> Strengthen programming focus on projects most likely to deliver measurable transformational results, aligned to GCF investment criteria and country priorities 46-51 FPs submitted to ITAP, including through the use of RPSP support and aligned with country pipelines Present Policy on Programmatic Approach 	<ul style="list-style-type: none"> Continued programming focus on projects most likely to deliver measurable transformational results, aligned to GCF investment criteria and country priorities 42-51 FPs submitted to ITAP, including through the use of RPSP support and aligned with country pipelines Deliver 40% increase in programming output by FP number relative to GCF-1 (cumulative 2024-2027) 	<ul style="list-style-type: none"> Programming focus on projects most likely to deliver measurable transformational results, aligned to GCF investment criteria and country priorities, while scaling programming in alignment with Fund ambition 60-70 FPs submitted to ITAP, including through the use of RPSP support and aligned with country investment pipelines Review country priority aligned pipeline and project approvals Conduct assessment of country-led approach
2.B	Strengthened access to adaptation finance for underserved countries & people/communities most impacted by climate change	<ul style="list-style-type: none"> Reach an additional 5-10 underserved countries Approval of at least 5 FPs with strong Locally Led Climate Action (LLCA) components Present next generation Gender Action Plan (GAP 2.0) GCF Global Conference on Indigenous Peoples' Access to Climate Finance Present dedicated Direct Access Framework for Indigenous Peoples 	<ul style="list-style-type: none"> Reach total of 15-25 underserved countries (cumulative 2024-2027) Approval of 15+ FPs with strong LC components Review of approved adaptation proposals from 2024-2027 Analysis of FPs approvals with LLCA components Implement dedicated Direct Access Framework for Indigenous Peoples 	<ul style="list-style-type: none"> Implement GCF-3 approach to addressing underserved countries Review progress on GAP 2.0
2.C	Enhanced private sector engagement & mobilization of finance for climate action	<ul style="list-style-type: none"> Submit 15-17 private sector funding proposals to ITAP Conduct 4-5 regional roadshows to convene private sector and country actors 	<ul style="list-style-type: none"> Submit 14-17 private sector funding proposals to ITAP Approved private sector projects account for 40% of the GCF-2 portfolio 	<ul style="list-style-type: none"> Submit 19-24 private sector funding proposals to ITAP Implement recommendations from private sector strategy review

#	Intended outcomes	2026 deliverables	2027 deliverables	2028 deliverables
2. Delivering impact and results				
		<ul style="list-style-type: none"> Executive strategic investment partnership operating model pilot, including conceptualization and development of at least 1-2 co-investment/ co-managed structures that mobilize capital Build 1-2 investment partnerships with a strong country ownership orientation both across public and private sectors to ensure national and climate alignment 	<ul style="list-style-type: none"> Review implementation of private sector strategy and prepare pipeline and business case report Convene flagship GCF Private Investment for Climate Conference Conceptualize and develop a further 2-3 co-investment/ co-managed structures that mobilize capital Build 1-2 investment partnerships with a strong country ownership orientation both across public and private sectors to ensure national and climate alignment 	<ul style="list-style-type: none"> Conduct 4-5 regional roadshows to convene private sector and country actors Conceptualize and develop further co-investment/ co-managed structures that mobilize capital Build further investment partnerships with a strong country ownership orientation both across public and private sectors to ensure national and climate alignment
2.D	Strengthened systems for managing the portfolio for impact, results, knowledge and learning	<ul style="list-style-type: none"> Implement updated MAF and PRC, including entity performance management Enable the ability to generate live country and regional portfolio reviews, and reviews of AE implementation performance Present the Harmonized Results Framework (revised IRMF) Present new portfolio impact results 	<ul style="list-style-type: none"> ~85% of the portfolio under implementation Review of updated MAF and its impact on AEs reporting capabilities Roll out the Harmonized Results Framework Present new portfolio impact results, including thought leadership 	<ul style="list-style-type: none"> Refresh readiness, accreditation and PPF dashboards Independent validation or audit of IRMF implementation and data quality Ongoing review and refinement mechanism for the MAF
2.E	Strengthened leadership on climate finance & enhanced performance of the climate finance architecture	<ul style="list-style-type: none"> Communications Strategy implementation Establish system for national/international media outreach through AEs especially DAEs Ongoing implementation of communications, outreach and advocacy strategies 	<ul style="list-style-type: none"> Ongoing implementation of communications, outreach and advocacy strategies Embed system for national/international media outreach through AEs especially DAEs Publish flagship report on GCF-2 results, impact and learning 	<ul style="list-style-type: none"> Ongoing implementation of communications, outreach and advocacy strategies Implementation of flagship report recommendations Publish 2026/2027 Impact Report Deliver COP33 engagement strategy

#	Intended outcomes	2026 deliverables	2027 deliverables	2028 deliverables
2. Delivering impact and results				
		<ul style="list-style-type: none"> GCF Global Impact Conference Deliver COP31 engagement strategy Progress collaboration between MDBs, MCFs and wider finance architecture, including harmonization initiatives 	<ul style="list-style-type: none"> Deliver COP32 engagement strategy Engagement with MCFs and MDBs to share the revised IRMF and explore harmonization opportunities 	<ul style="list-style-type: none"> Publication of results and impact reports using the revised IRMF
2F	Establishment of GCF regional presence among developing countries	<ul style="list-style-type: none"> Present configuration plan, implementation plan and comprehensive analysis and recommendation for regional presence host countries Preparation for regional offices, including hosting agreements and operational planning 	<ul style="list-style-type: none"> Regional offices and outposts open, subject to the respective host country agreements entering into force 	<ul style="list-style-type: none"> Continued opening of regional offices and outposts

#	Intended outcomes	2026 deliverables	2027 deliverables	2028 deliverables
3. Focusing on people and institutional strengthening				
3.A	Alignment of institutional capacity, and organizational culture with the GCF strategy and value	<ul style="list-style-type: none"> Execution of the People & Culture Plan and strengths-based approach Implementation of Staff Regulations and Staff Rules Implement a new performance management and development system (PMDS) framework and system Implement refreshed annual staff engagement survey 	<ul style="list-style-type: none"> Design employee experience through all stages of the employment lifecycle Develop employee referral system and enhancement of special program (internships, secondments) Annual staff engagement survey and action planning 3-year track record of 90%+ budget execution Prepare transition work plan & budgeting for 2028-30 	<ul style="list-style-type: none"> Review of People and Culture Plan Establish a GCF recognition program Annual staff engagement survey and action planning Enhance budget KPIs to enable comprehensive, informed, and strategic budget planning

#	Intended outcomes	2026 deliverables	2027 deliverables	2028 deliverables
3. Focusing on people and institutional strengthening				
		<ul style="list-style-type: none"> Develop ethics and values-based Standards of Conduct Clarify budget KPIs to enable comprehensive, informed, and strategic budget planning 		
3.B	Efficient and effective institutional systems and processes based on sound risk management and harnessing the power of data	<ul style="list-style-type: none"> Present phase II Risk Management Framework policy updates Review prohibited practices policies (IIU-led) Launch of budget scoring for policy proposals and FX hedging Establish GCF data governance and data stewardship council Establish operations excellence framework Substantially enhance IT systems and security, including cybersecurity and SOPs Complete ERP workforce planning integration and evolution of unit-costing to support data-driven budgeting Leverage technology to streamline Funded Activity Agreement (FAA) drafting Review of the Trustee 	<ul style="list-style-type: none"> 3-year track record of unqualified external audit reports and financial reporting meets capital markets standards Enhanced FX risk management Revise the AML/CFT Policy and Standards, in collaboration with IIU Submit a comprehensive review of GCFs approach to Privileges and Immunities Develop the IT architecture and systems to support impact measurement technology framework and country access platforms Enterprise Risk Management system fully implemented 	<ul style="list-style-type: none"> Implement any outcome from the comprehensive review of Ps&Is Achieve ISO certification on data governance and management Monitor and refine A.I architecture and technology to support GCF impact, operations and audits
3.C	Effective governance and support for the Board	<ul style="list-style-type: none"> Present updates to Information Disclosure Policy and Observer Guidelines Support the Board in conducting an effectiveness review 	<ul style="list-style-type: none"> Develop handover protocols for Committees and Board membership and new Governance Manual 	<ul style="list-style-type: none"> Board IT ecosystem enhanced

#	Intended outcomes	2026 deliverables	2027 deliverables	2028 deliverables
3. Focusing on people and institutional strengthening				
		<ul style="list-style-type: none"> • Implement new board portal and board portal mobile app • Launch of automated reporting tools for Board, COP and contributor reporting 	<ul style="list-style-type: none"> • Implement a comprehensive and systematic Board members' training and development programme 	
3.D	Successful resource mobilization underpinning delivery of NCQG and the GCF's 50by30 vision, articulated in the 2028-2031 Strategic Plan (USP-3)	<ul style="list-style-type: none"> • Develop & consult on 2028-2031 Strategic Plan (USP-3) • Present approach to financial inputs from other sources, including alternative sources • Present Long-term Resource Mobilization Strategy and GCF-3 Replenishment Plan, including other sources of funding, public and private • Present balance sheet optimization approach to enhance commitment authority 	<ul style="list-style-type: none"> • Establish GCF-3 Investment Framework update • Present 2028-2031 Strategic Plan (USP-3) • Present 2028-2031 Readiness Strategy • Implement Long-term Resource Mobilization Strategy, Replenishment Plan, and other sources policy framework, including required treasury and risk capabilities • Mobilize pledges for GCF-3 replenishment • Present the report on the outcomes of GCF's third formal replenishment • Implement balance sheet optimization 	<ul style="list-style-type: none"> • Implement 2028-2031 Strategic Plan • Implementation of Investment Framework for GCF-3 • Implement 2028-2031 Readiness Strategy • Ongoing other sources policy framework implementation, • Intelligence dashboards mapping GCF's overall engagement efforts across constituency

Annex I: Output Based Budget

Table 1: Output-based budget summary for 2026-2028 (USD in thousands)

Strategic Objective Description	2026 Budgeted amount	2027 Budgeted amounts	2028 Budgeted amounts
1. Enhancing country ownership and access	32,902	35,033	38,175
2. Delivering impact and results	45,989	48,989	53,472
3. Focusing on people institutional strengthening	41,941	44,745	48,898
Total	120,833	128,767	140,545

Table 2: Output-based budget details for 2026-2028 (USD in thousands)

Strategic Objective Description	2026 Budgeted amount	2027 Budgeted amounts	2028 Budgeted amounts
1. Enhancing country ownership and access	32,902	35,033	38,175
Full-time staff	23,885	25,553	28,072
Consultants	854	603	395
Interns	187	251	275
Travel	1,207	1,315	1,420
Contractual services	1,176	1,393	1,658
Other operating costs	5,594	5,918	6,356
2. Delivering impact and results	45,989	48,989	53,472
Full-time staff	35,483	37,962	41,704
Consultants	1,641	1,158	758
Interns	321	431	473
Travel	1,153	1,257	1,356
Contractual services	2,862	3,389	4,036
Other operating costs	4,529	4,791	5,146
3. Focusing on people institutional strengthening	41,941	44,745	48,898
Full-time staff	28,426	30,411	33,409
Consultants	1,918	1,354	886
Interns	239	321	352
Travel	1,612	1,758	1,897
Contractual services	4,673	5,534	6,589
Other operating costs	5,074	5,368	5,785
Total	120,833	128,767	140,545

Annex II: Total administrative budget including independent units (USD in thousands)

Code	A Budget category/ subcategory	B 2025 Approved budget	C 2025 Forecast	D Proposed 2026 budget	E= (D-C)÷C % change over 2025 Forecast	F Proposed 2027 budget	G Proposed 2028 budget	H= (F-D)÷D % change over 2026 proposed	I=(G-F)÷F % change over 2027 proposed	J 3 Year CAGR
1	Board	4,935	4,418	5,017	14%	5,094	5,231	2%	3%	6%
2	Secretariat	110,502	109,136	120,833	10%	128,767	140,545	6%	9%	9%
3	Trustee	4,750	4,750	6,547	38%	6,906	6,896	5%	0%	13%
4	Board Contingency (1.5%)	1,873	-	2,039	n/a	-	-	n/a	n/a	n/a
5	Emergency Contingency (2%)	2,497	-	2,719	n/a	2,886	3,133	6%	9%	n/a
6	Independent Units	14,343	13,270	15,109	14%	15,526	16,094	3%	4%	7%
	Independent Redress Mechanism	2,713	2,695	3,044	13%	3,346	3,670	10%	10%	11%
	Independent Integrity Unit	3,959	3,811	4,255	12%	4,423	4,644	4%	5%	7%
	Independent Evaluation Unit	7,672	6,764	7,809	15%	7,757	7,780	-1%	0%	5%
	Grand total	138,900	131,574	152,264	16%	159,179	171,899	5%	8%	9%

Annex III: 2025 GCF annual salary scale review

I. Introduction

1. This review of GCF salary scales follows the Board's decision B.13/26, paragraph (d), which provides that "future revisions will be based on an annual review of salary scales by the Secretariat that considers elements such as inflation and practices in relevant institutions, including in the Republic of Korea and the region, and subject to Board approval."
2. In 2024, the Secretariat conducted an annual staff salary scale review, which included benchmarking against peer organisations (Asian Development Bank and World Bank Korea Office), analysis of market movements, and consideration of additional indicators.
3. In fulfilment of its obligation in line with decision B.13/26, the Secretariat has conducted its annual salary scale review for 2025, and presents this review, analysis and recommendation for the Board's consideration. This year's salary scale review applies the Board decisions regarding the review of GCF salaries, the competitiveness of GCF's salary scale with those of its proxy comparators, and the current market dynamics that underly the salary scale adjustment proposed in annex I to this addendum.

II. Key findings from the 2024 salary scale review

4. As presented to the ad-hoc Committee on Human Resources Matters (HRC) of the Board, which met during the week of the fortieth meeting of the Board (October 2024), key findings from the Secretariat's review of the 2024 salary scale included:
 - (a) The Asian Development Bank (ADB) adjusted its salary scales by an average of 1% for International Staff (IS) levels (ranging up to 7.5% for specific grades);
 - (b) The Work Bank Korea Office (WB Korea) implemented a 4.5% increase for all Administrative Staff (AS) levels; and
 - (c) GCF salary scales lagged 3.5% behind ADB and 7.5% behind WB Korea Office on average.

III. 2025 salary scale review

5. While conducting the salary scale review in 2024, the Secretariat found that inflation data alone was not a sufficiently significant factor for scale review and adjustment. Instead, the driver for such review and adjustment should be a combination of multiple factors including inflation, cost of labour, and cost of living index, to maintain the competitiveness in the market that the Fund competes to attract talents from.

3.1 Macro Indicators

3.1.1. Cost of Living (COLI)

6. COLI in the Republic of Korea decreased by 12.3% from 2024–2025, strengthening local purchasing power.

7. Family support and housing policies expanded in 2024, reducing household expenditure pressures.

8. Relative to the Republic of Korea (rebased 2025 baseline = 100):

(a) United States of America (U.S.): +14.9%; and

(b) Republic of the Philippines: -49%.

3.1.2. Cost of Labour

9. Korea's cost of labour rose by 10.08% (Q1 2025 vs. Q1 2024), the highest since 2011.

10. The rise reflects higher minimum wages, expanded social benefits, and labour reforms (e.g., proposed 4.5-day workweek).

11. Other economies saw increases between 2.08% (France) and 5.03% (U.S.).

3.1.3. Inflation

12. Global inflation peaked at 8% in 2022, declining to 2.9% in 2024.

13. The Republic of Korea's inflation followed a similar trajectory, from 5.1% (2022) to 2.3% (2024).

3.2 Benchmark against the ADB (IS scale) and WB Korea Office (AS scale)

14. The 2025 review compared GCF midpoint scales against ADB and the WB Korea Office.

Table 1. Comparison between salary scales of GCF, ADB (IS) and WB Korea Office (AS) for 2025

Staff Category	Comparator	GCF Midpoint Gap
Administrative Staff (AS)	WB Korea Office	-12.3% (average)
International Staff (IS)	ADB	-18.5% (average)

15. ADB's 2025 restructuring introduced a new grading system with an **average 4.8% increase** in midpoints.

16. Both ADB and WB Korea benchmark their salary scale at the 75thile (75th percentile) of the market, while GCF benchmarks the salary scale at the 50thile (50th percentile) of the market.

3.3 Benchmark against 26 organizations (MDBs/IFIs/IOs) from ISRP (International Service for Remuneration and Pensions)

17. To get a more holistic and objective understanding of GCF's salary competitiveness, the Secretariat benchmarked GCF's position across multiple organisations, inclusive of ADB and WB Korea Office. The International Service for Remunerations and Pensions (ISRP) is a common service platform for the Coordinated Organisations and 26 international organisations including IFIs, MDBs and UN Agencies. The ISRP matches all job levels from participating organisations¹ to allow scale benchmarking at HQ locations. When benchmarked against ISRP data, GCF IS

¹ 27 organisations with matched levels, including GCF.

levels remain competitive overall (average lead of 5.2%), while AS levels continue to lag due to local market referencing.

IV. Structural adjustments across organisations

18. Structural adjustments are implemented to maintain market competitiveness and internal equity, ensuring the organisation can attract and retain talent and align its compensation framework with institutional objectives.
19. From 2020–2026, international organisations applied modest structural adjustments averaging 0.6–2.8% annually:
 - (a) 2025 Average Adjustment: 1.92%;
 - (b) 2026 Forecast Range: 1.69–2.47%; and
 - (c) Peak increases reached 12.3% (2023) in select institutions responding to market pressures.
20. These trends reflect consistent alignment to market conditions while maintaining internal equity and fiscal prudence.

V. Recommended structural adjustment for 2025

21. Preparing GCF to be able to manage increasing climate finance levels – it is crucial that the Secretariat continues to strengthen the institution, by prioritizing investment in human capital in the coming years. As a result maintaining GCF's salary competitiveness in the market is critical.
22. Hence, following a comprehensive review of structural adjustments by other international organizations, complemented by key macro indicators of cost of living and cost of labour, the Secretariat recommends a structural adjustment of 1.92% effective 1 January 2026, with an estimated budget impact of approximately USD 1,100,000. This recommendation matches the average structural adjustment of 1.92% by international organisations for 2025 and is within the projected increase of 2.47% in 2026.
23. This salary scale adjustment is additional to the proposed Secretariat's Administrative Budget for 2026 to 2028. In the development of the Secretariat's 2026-2028 budget, the Secretariat noted guidance from the Budget Committee, including the need to maintain budget levels consistent with that which was presented as part of the 2025-2027 budget. Recognizing calls for GCF to deliver on ambition have grown compared to when the 2025-2027 work plan and budget was approved at B.40, it is critical to continue equipping GCF to deliver more impact at scale. In this context, the Secretariat did not include the estimated budget of USD 1,100,000 in the proposed 2026 Secretariat administrative budget for the Board's consideration.



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