

Annex II: GCF Compensation Philosophy

1. GCF is committed to providing a competitive compensation offering that positively contributes to attracting, nurturing, motivating and retaining committed world-class talent.
2. **Guiding principles**
 - (a) **Competitiveness:** To attract, retain and motivate world-class talent from all regions of the world, GCF strives for a global compensation framework that is competitive in global or local markets, and which may be standardized and applicable across different geographical locations. Comparisons with other organizations may consider total compensation, including salaries, benefits, incentives, and other forms of compensation;
 - (b) **Transparency and predictability:** Salary scales and compensation policies should be transparent and provide a clear framework for all stakeholders;

Periodic review of GCF salary scales relative to comparator organizations should assist GCF in predictably maintaining salaries at competitive and equitable levels;
 - (c) **Equity:** The salary scale should provide similar pay for similar work. Salary differentiation may reflect additional experience, competencies, or scarcity of critical skills. Commitment to pay equity in compensation policies and practices is paramount. To ensure this, periodic pay equity audits will be undertaken;
 - (d) **Rewards:** Practices may include performance-based salary increases or one-time payments. Compensation incentives and recognition may be used to increase retention and motivation, and to reward clearly articulated exemplary results and desired competencies and/or behaviours; and
 - (e) **Responsibility and accountability:** GCF will operate in a transparent and accountable manner, guided by efficiency and effectiveness in line with the “Objectives and guiding principles” laid down in the Governing Instrument for the GCF and the accountability mechanisms established within.