

GREEN
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FUND

THE IMPORTANCE OF PRIVILEGES AND IMMUNITIES FOR THE GREEN CLIMATE FUND

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| 10 YEARS OF CLIMATE IMPACT |

The Governing Instrument for the GCF

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B. LEGAL STATUS

- 7 In order to operate effectively internationally, the Fund will possess juridical personality and will have such legal capacity as is necessary for the exercise of its functions and the protection of its interests.
- 8 The Fund will enjoy such privileges and immunities as are necessary for the fulfilment of its purposes. The officials of the Fund will similarly enjoy such privileges and immunities as are necessary for the independent exercise of their official functions in connection with the Fund.

Current status of P&I Agreements in Force

- As of 31 March 2026:
 - Headquarters Agreement with the Republic of Korea
 - 33 signed bilateral agreements
 - On 15 October 2025, President of Panama issued executive resolution recognizing GCF as international organization with Privileges and Immunities
 - Since 2017, 22 MOUs have been signed including standard provisions of Privileges and Immunities for holding of Regional Dialogues (e.g. Sri Lanka where Regional Dialogue is currently being held)

Benefits to the country: Providing a stable legal foundation for long-term climate-finance partnership

- Establishes clear framework for GCF's operations in the country
- Demonstrates signing country's commitment to effective cooperation with an international climate finance institution
- Establishes legal foundation for long-term climate cooperation
- Confirms GCF's institutional status consistent with the Governing Instrument and supports a stable relationship among GCF, government, accredited entities and implementation partners
- Places GCF on comparable footing with peer international institutions (UN, World Bank, IMF, regional development banks)
- Facilitates GCF meetings and gives the country greater visibility.
 - Improved ability to host international climate events
 - Standing agreement allows the country to host GCF activities under an established framework instead of negotiating temporary protections each time

Enabling GCF's Mission Through Privileges and Immunities ("P&Is")

What are P&Is?
P&Is are legal privileges and immunities that are granted to an organization and its personnel. They are typically granted to international organizations and their staff to ensure they can operate effectively across different jurisdictions.

P&Is can be granted either through a specific **bilateral agreement** or included in a **Host Country Agreement**, which formalize GCF's legal status and protections.

Why are P&Is important?
P&Is are important because they ensure that GCF can operate independently across different jurisdictions, without being subject to the legal constraints of any one country.

They ensure GCF operates **independently** across jurisdictions by safeguarding the organization and its personnel **from legal constraints**.

How do P&Is work?
P&Is work by providing GCF with legal protection from taxation and legal barriers, allowing it to manage funds and operate effectively across different jurisdictions.

They allow GCF to manage funds **without taxation or legal barriers**.

What are the benefits of P&Is?
P&Is provide GCF with the ability to hold events, engage with stakeholders, and establish regional offices, which are essential for its mission.

They facilitate GCF's ability to **hold events, engage with stakeholders, and establish regional offices**.

What are the challenges of P&Is?
P&Is can be challenging to negotiate and implement, as they often require complex legal agreements and coordination with host countries.

They **support travel and visa access** for staff and experts to conduct missions, visit programming sites, and engage with partners.

e.g.) Tax Exemptions

- Tax exemptions preserve climate finance
- Protects climate resources from diversion
 - GCF resources = Public contributions intended for climate purposes
 - Taxation, attachment, financial restrictions can increase project costs or divert resources from approved purposes
 - E.g. Taxation by one State can reduce resources available for climate activities and for other participating States
- Supports timely movement of funds
 - GCF needs to receive, hold, transfer and recover funds across jurisdiction
 - Absence of protections may affect accredited entities' ability to hold GCF funds, produce lengthy approval processes, or impair receipt of reflows and repayments



Risks of Operating Without Privileges and Immunities

Legal actions; Property and assets vulnerability; Internal accountability investigations (IIU and IRM) to obstruction

- Potential exposure to **legal actions**, threatening GCF's effectiveness by disrupting its operations and deterring contributors.
- Risk of **property and assets vulnerability** with potential search, requisition, confiscation, expropriation or any other form of taking or foreclosure by executive.
- Susceptibility of **internal accountability investigations** (IIU and IRM) to **obstruction**, deterring contributors.

Restrictions and delays on financial flows; Taxation

- **Restrictions and delays on financial flows** may hinder fund management and transfers.
- **Taxation** by host countries reduces available funding and increases project costs.

Prolonged negotiations; Legal and logistical hurdles

- **Prolonged negotiations** can cause delays in hosting events and meetings.
- **Legal and logistical hurdles** may disrupt the organization of in-country events.

Visa and travel delays

- **Visa and travel delays** for staff and experts hinder in-country activities, project reviews, and evaluations.

Commonly raised concerns



Does the agreement place GCF above national law? → No



Does it give GCF personnel personal impunity? → No, immunities are **functional**, and don't extend to private acts

Privileges and Immunities may be waived by the Executive Director, if (i) the immunity would impede justice, and (ii) if it can be waived without prejudice to the purpose for which it was granted or to GCF's interests



What happens if a dispute arises, or GCF causes harm? → provisions for dispute-settlement mechanisms (arbitration)



Can GCF personnel disregard national law? → No. The P&I agreement expressly requires persons enjoying privileges and immunities to respect the host country's laws and regulations and not interfere in its internal affairs

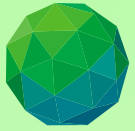
Next Steps

- Exchange comments/Negotiate on the basis of the standard Privileges and Immunities Agreement template

- May hold meetings, if necessary, to discuss any comments or questions that arise from the standard Agreement

- Sign the Agreement

- Entry into Force



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A Privileges and Immunities agreement is a mutual legal framework that advances climate partnership; it is not a concession to GCF.

We look forward to our increased partnership.

Thank you!

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