Annex IX: Salary scale review and adjustment

I. Introduction

1. The Secretariat conducts an annual review of the salary scale in accordance with the methodology approved by the Board. The annual review provides a structured mechanism to assess whether movements in the relevant labour markets warrant an adjustment to the salary scale, while a more comprehensive review of the compensation framework is undertaken every four (4) years in consultation with the Board.

2. At its forty-fifth meeting, the Board through decision B.45/19 adopted the Methodology for Salary Scale Review and Adjustment, establishing a transparent, evidence-based and predictable mechanism for assessing movements in market pay.

3. The Secretariat has thus conducted a 2026 salary scale review in accordance with the methodology approved by the Board through decision B.45/19 and presents the results and proposed salary scale adjustment for Board consideration.

II. Approach to the annual salary scale review

4. The methodology adopted by the Board through B.45/19 is centered on two primary measures of input: market pay movement and cost of labour. Combined, these measures are designed to provide complementary perspectives on changes in the markets relevant to GCF, where market pay movement measures changes in actual compensation levels in comparator markets where GCF competes for talent, while cost of labour provides a broader measure of changes in the actual price for talent that employers pay.

III. 2026 salary scale review

5. While conducting the salary scale review in 2025, 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.

3.1 Market pay movement

6. One of the primary inputs under the methodology is market pay movement which measures changes in compensation levels across the labour markets relevant to GCF.

7. The 2026 market pay movement analysis was undertaken by an external global compensation firm and utilized the same four (4) comparator groups and associated weightings applied as part of the GCF salary structure under the Staff Regulations, which was approved by the Board through decision B.42/15. The four comparator groups represent the principal markets from which GCF attracts talent: quasi-public/international financial institutions, public organisations, impact investing/humanitarian organisations, and the private sector.

8. The reported market pay movements, reported at 4.1%, and their respective weights are as follows:

Table 1: Market pay movement by comparator group

Comparator group	Market pay movement	Weight
Quasi-public / IFI	4.77%	25%
Public	3.85%	25%
Impact investing / Humanitarian	4.36%	15%
Private	3.7%	35%
Weighted market pay movement	4.1%	100%

3.2 Cost of Labour

9. The second primary input is the cost of labour index. A separate, independent global compensation firm provided the relevant cost of labour information for the 2026 review.

10. The reported change in the cost of labour between 2025 and 2026 is 2.9%.

IV. Results from the 2026 salary scale review

11. In accordance with Board-approval of the methodology for salary scale review (decision B.45/19), market pay movement and cost of labour are given equal weighting in determining the salary scale adjustment index. For the 2026 review, application of the two primary inputs resulted in an index of 3.5%.

Table 12: 2026 salary scale adjustment index

Primary input	2026 movement	Weight
Market pay	4.1%	50%
Cost of labour	2.9%	50%
Scale adjustment index	3.5%	

V. Recommended salary scale adjustment for 2027

12. Based on the outcome of the 2026 annual salary scale review, the Secretariat proposes an adjustment of 3.5% to the GCF salary scale, effective 1 January 2027, as set out in table XX below.

Table 3: Recommended salary scale adjustment for 2027

Grade	Minimum	Midpoint	Maximum
A	258,800	310,500	362,300
B	196,700	253,600	310,500
C	148,000	193,500	239,100
D	112,800	148,000	183,200

Grade	Minimum	Midpoint	Maximum
E	92,100	122,100	152,100
F	74,500	99,400	124,200
G	49,700	71,400	93,200
H	41,400	58,000	74,500
I	32,100	48,600	65,200