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# FUNDING AND REMUNERATION FRAMEWORK

*TRANSPARENT FINANCIAL STRUCTURES FOR SUSTAINABLE FUNDING,  
EQUITABLE REMUNERATION, AND COST RECOVERY COMPLIANCE*

CREATED BY

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*Care to Change the World*



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# Funding and Remuneration Framework

**Preamble and Applicability.** This Framework is promulgated under the GSIA Charter and shall be read consistently with Documents 00–12 and the prevalence order previously affirmed: mandatory national public law; the GSIA Charter; this Framework; and downstream instruments and annexes. The constitutional separation of functions remains binding. The GSIA SCE holds mandate, membership, and oversight; GSIA Holding AB safeguards stewardship, intellectual property, and canonical standards without operational entanglement; GSIA AB delivers operations under Service Level Agreements (SLAs); and, where bankability or continuity so requires, Hosted Ownership may be effected through EUSL or another approved SPV within a ring-fenced perimeter subject to non-attachment, negative pledge, discrete ledgers and bank accounts, and an unconditional reversion covenant to the Member upon readiness. Publication is a control: disclosure is presumptive, with lawful redaction and time-limited exceptions adopted by reasoned resolution and recorded in the registers. Data-protection roles are explicit; DPIAs are triggered for high-risk processing; IAM enforces least-privilege with multi-factor authentication; logs are immutable and time-synchronised; encryption is applied in transit and at rest. Domestication proceeds through gated stages—shadowing, dual-key, lead-role, system handover, legal localisation, and readiness certification—verified by independent assurance. Nothing herein derogates Hosted Ownership safeguards or the no-distribution rule governing ring-fenced funds.

## Chapter 1 — Subscription and Fee Models

**1.1 Membership Subscriptions and Constitutional Standing.** Subscription funding is the primary, predictable source of core-budget support for the GSIA SCE's public-interest mandate. In accordance with the Membership Statute and Admissions Protocol, annual subscriptions are set, as a rule, at €1,000,000 for each Regional Economic Community (REC) and €250,000 for each Member State. Hybrid RECs (e.g., EUSL, AFSL, and future AMSL/ASSL) are assessed by reasoned resolution of the GSIA SCE, taking account of mandate breadth, portfolio scale, and domestication trajectory. Subscriptions finance oversight, standard-setting, accreditation, external validation, MEL harmonisation, and minimum viable assurance capabilities; they do not finance private distribution.

**1.2 Assessment, Indexation, and Payment Terms.** Subscriptions are assessed on a fiscal-year basis determined by SCE resolution. New Members joining mid-year are invoiced pro-rata from the effective admission date. Indexation follows an approved reference index and methodology designated by SCE resolution to preserve real value over time, with any change published and applied prospectively. Subscriptions are payable within thirty calendar days of invoice; arrears beyond ninety days trigger protective measures proportionate to risk, including (without limitation) suspension of non-essential services and deferral of non-urgent disbursements, without impairing rights related to investigations, grievance redress, or essential safety functions.

**1.3 Relief, Deferrals, and Exceptional Measures.** Where a Member faces acute fiscal stress or force majeure, temporary **deferral** or **phased payment** may be granted by reasoned, time-limited resolution upon submission of evidence and a credible remediation plan. Such relief does not waive the subscription obligation and shall be recorded in the Publication and Deferral Registers. For fragile or conflict-affected Members, a subsidised rate may be approved for a defined term, provided that the subsidy is funded from dedicated grants or pooled funds and does not impair fiduciary controls.

**1.4 Flowhub Trio Plus Commission and Ring-Fencing.** As codified in prior instruments, the Flowhub Trio Plus commission is capped at five percent ( $\leq 5\%$ ) of the defined Commission Base and is strictly





ring-fenced to governance, assurance, risk, and capacity functions, with no private distribution. The Commission Base is the value of cash amounts actually custodied, administered, and disbursed through Flowhub under GSIA custody, excluding: statutorily payable taxes; regulated utility tariffs; and pass-through third-party escrow where Flowhub has no custodial function. The commission may be tiered by reasoned resolution within a band (for example, 0.5% to 5.0%) based on scale, risk, complexity, and domestication stage, and may be blended at portfolio level to achieve value-for-money.

**Policy note (recorded for transparency):** You have indicated a forward-looking 0.5%–7% target range reflecting anticipated large-scale Flowhub volumes. Under the current constitutional baseline, the ceiling remains  $\leq 5\%$ . Any upward variance would require a Charter-conforming resolution expressly amending the ceiling, with a published justification anchored in risk, complexity, and public-interest necessity, and with safeguards to prevent dilution of value-for-money. Until such amendment, this Framework applies the  $\leq 5\%$  cap.

**1.5 Calculation, Invoicing, and Collection.** Commission accrues upon disbursement from Flowhub-controlled accounts or upon settlement of verified obligations under Flowhub custody, whichever occurs first. Invoicing is monthly in arrears with a detailed schedule showing transaction identifiers, value dates, applicable rate, exclusions, and net commission. Collections are executed from dedicated project accounts under four-eyes approval and segregation of duties. Commission proceeds are credited **to discrete ledgers and bank accounts** dedicated to ring-fenced functions and are not co-mingled with commercial income or Member subscriptions.

**1.6 Publication and Transparency.** An **Annual Funding Statement** discloses subscriptions assessed and received, commission accruals and collections, ring-fenced allocations by function, reliefs and deferrals granted, and arrears status. Lawful redaction applies solely to protect personal data, security-sensitive details, and privileged legal analysis. Deferrals of publication are reasoned, time-limited, and recorded, with sunset review and re-publication on expiry.

**1.7 Data-Protection and Digital Trust.** Membership and billing data are processed under controller/processor allocations defined by this Framework and the Legal Instruments Compendium. DPIAs are conducted for large-scale processing or cross-border transfers. IAM enforces least-privilege; logs of invoicing, approvals, and payments are immutable; encryption is applied in transit and at rest.

**1.8 Domestication and Hosted Ownership.** In Hosted Ownership, commission and any ancillary fees are assessed solely within the ring-fenced perimeter, charged to the project ledger, and transparently disclosed. At domestication gates, commission rates and scope are reviewed and, where appropriate, tapered as the Member assumes lead-role and system custody, without impairing survivals (audit rights, records, warranties, and liabilities as stipulated). The reversion covenant is not conditioned on commission settlement; any residual amounts due are handled under agreed closure mechanics.

**1.9 Interfaces.** This Chapter interfaces with Document 03 (Flowhub Operating Manual) on custody and controls, Document 05 (Institutional Governance) on approvals, Document 06 (ESG & Fiduciary), Document 08 (Unified MEL) on tranche linkages, Document 10 (Stress Testing) for liquidity and FX management of commission receipts, Document 11 (Compliance and Ethics) for sanctions and enforcement, and Document 12 (Data Protection) for billing data governance.

## Chapter 2 — Grants and Pooled Funds

**2.1 Purpose and Scope.** Grants and pooled funds expand the financing base for GSIA-mandated programmes, enabling scale while preserving fiduciary integrity. This Chapter governs acceptance, ring-fencing, custody, disbursement, publication, and survivals for donor grants, Member-funded pools, thematic windows, and co-financing envelopes administered through Flowhub or under GSIA SCE oversight. Private distribution from grants and pools is prohibited; cost recovery follows the rules in Chapter 4 (Cost Recovery and Value-for-Money) without prejudice to ring-fencing.

**2.2 Acceptance and Eligibility Tests.** All grants and pools undergo eligibility tests aligned with Document 04 (Eligibility and Project Leasing). Acceptance requires compatibility with the Charter; absence of conditions that would undermine ESG safeguards, data-protection, publication doctrine, or domestication gates; and the donor's acceptance of audit, access, publication, and step-in clauses. For restricted funds, conditions precedent and covenants are codified in the funding instrument and **published** with lawful redaction.

**2.3 Ring-Fencing and Custody.** Each grant or pool is held in discrete bank accounts and tracked in separate general and subsidiary ledgers. Negative pledge and non-attachment clauses prohibit encumbering funds for unrelated liabilities. Where Flowhub provides custody, escrow and cash waterfalls are defined in the instrument or annex and enforceable under governing law, with step-in rights preserved for fiduciary breaches. Hosted Ownership grants are custodied strictly within the project perimeter, with survival of audit and access rights post-handover as stipulated.

**2.4 Pooled Structures and Windows.** Pooled funds may be structured as multi-donor pooled accounts or thematic windows (e.g., digital trust, TVET, ESG safeguards), each with a published governance note defining contributions, eligibility, appraisal standards, tranche logic, fiduciary thresholds, and publication schedules. Voting or allocation rights conferred by donors shall not negate the GSIA SCE's fiduciary standards, conflict-of-interest rules, or publication doctrine.

**2.5 Tranche Logic, Disbursement, and Controls.** Disbursements follow tranche logic tied to verifiable milestones in the Unified MEL Framework, domestication gates, and fiduciary readiness (Document 10). Four-eyes approvals, segregation of initiating/approving/reconciling roles, and calibrated countersignature thresholds apply. Disbursements are supported by evidence packs (contracts, verification notes, bank proofs), and recorded with immutable logs. Deviations require reasoned, time-limited waivers and are published.

**2.6 Currency, Liquidity, and FX.** Currency of account is defined in the instrument. Where FX is required, hedging and liquidity follow Document 10, with no speculative positions. FX costs are charged to the fund only where permitted by the instrument; otherwise, they are absorbed under cost-recovery rules and disclosed.

**2.7 Procurement Integrity and ESG Safeguards.** Funds are disbursed only against procurement and implementation conducted under Document 06 (ESG & Fiduciary) and the Legal Instruments Compendium. Sanctionable practices (fraud, corruption, collusion, coercion, obstruction) trigger freezes, enhanced monitoring, or termination, alongside referral to the Investigations function under Document 11. Grievance redress mechanisms are operational and published.

**2.8 Data-Protection and Digital Trust.** Donor, beneficiary, and transaction data are processed under controller/processor allocations defined in the instrument and DPA. DPIAs are conducted for high-risk processing, especially large-scale personal data or cross-border transfers. Evidence repositories are

encrypted; access is role-based with multi-factor authentication; logs are immutable and reviewed independently.

**2.9 Publication and Registers.** A **Grant and Pool Register** is maintained and published, listing instruments, donors, amounts, currencies, conditions, tranche status, and disbursement summaries. Lawful redaction protects personal data, security-sensitive content, and privileged legal advice. Deferrals are reasoned, time-limited, and sunset-reviewed. Executive summaries are published contemporaneously unless lawfully deferred.

**2.10 Co-Financing and Alignment.** Where grants are blended with DFI or commercial co-finance, GSIA ensures *pari passu* or agreed intercreditor arrangements consistent with public-interest protections, survival of audit and publication rights, ESG covenants, and domestication timelines. Private-sector participation does not dilute fiduciary controls or the no-distribution rule for ring-fenced funds.

**2.11 Hosted Ownership and Reversion.** Hosted grants and pools are documented with title lists, escrow terms, negative pledge, and non-attachment, and include a binding reversion covenant to the Member or designated public custodian upon readiness certification or cure of ineligibility. Transfer inventories and reconciliations are independently validated and published with lawful redaction.

**2.12 Arrears, Defaults, and Remedies.** Failure to meet conditions or evidence material non-conformities triggers protective measures, including tranche suspension, tightened authority matrices, or termination, without prejudice to recovery rights. Any settlement or write-down is reasoned, approved by SCE resolution, and published. Recoveries are credited to the originating fund or to a designated public account; no private distribution is permitted.

**2.13 Records, Survivals, and Assurance.** Instruments, amendments, evidence packs, approvals, reconciliations, audits, validations, publications, and deferrals are archived for the longer of Charter, statutory, or covenant periods. Survivals include confidentiality, data-protection obligations, audit and access rights, and publication registers. Independent validators may be commissioned under Document 09 to opine on compliance and value-for-money.

**2.14 Interfaces.** This Chapter interfaces with Document 03 (Flowhub custody and operating controls), Document 04 (Eligibility and Leasing), Document 06 (ESG & Fiduciary), Document 08 (MEL), Document 09 (External Validation), Document 10 (Stress Testing), Document 11 (Compliance, Investigations, Sanctions), and Document 12 (Data Protection and Digital Trust).

## Chapter 3 — Remuneration and Per Diems

**3.1 Purpose and Constitutional Position.** Remuneration and per diem structures are codified to ensure fairness, transparency, and alignment with the Charter's public-interest mandate. Compensation is strictly non-profit in character: it reflects cost recovery and equitable recognition of professional services rendered under GSIA-mandated programmes, without creating incentives that distort fiduciary integrity or domestication objectives. The GSIA SCE sets remuneration policy by resolution; GSIA Holding AB maintains canonical scales, templates, and evidentiary standards; GSIA AB executes payments under SLA within ring-fenced accounts and authority matrices enforcing four-eyes control and segregation of duties.

**3.2 Scope of Application.** This Chapter applies to:

- **GSIA AB staff and consultants** engaged under SLA for operational delivery.

- **Independent validators and peer reviewers** accredited under Document 09.
- **Panel members and experts** serving on governance or assurance bodies.
- **Seconded personnel** from Member authorities during domestication gates.
- **Hosted Ownership project staff** within ring-fenced perimeters.

It does not apply to elected officials of the GSIA SCE or Member representatives, whose entitlements are governed by the Charter and Host Country Agreements.

**3.3 Remuneration Principles.** Remuneration is benchmarked to international public-sector norms and adjusted for role complexity, responsibility, and local market conditions, subject to ceilings approved by SCE resolution. No remuneration may be linked to commission volumes, tranche sizes, or procurement values. Performance incentives, where authorised, are tied exclusively to compliance, quality, and timely delivery of outputs verified under MEL and assurance frameworks, not to financial throughput.

**3.4 Per Diems and Travel Allowances.** Per diems are payable for authorised travel on GSIA business, calculated on a published schedule indexed to cost-of-living benchmarks and capped by SCE resolution. Per diems cover lodging, meals, and incidental expenses; they do not substitute for remuneration or create profit. Travel allowances for transport are reimbursed at actual cost or under published mileage rates, subject to receipts and audit. Advances are permitted only under documented need and reconciled within defined timelines.

**3.5 Approval and Workflow Controls.** All remuneration and per diem payments follow documented workflows: initiation by HR or project administration; validation by finance; approval by an authorised officer under countersignature thresholds; and execution by treasury under four-eyes control. Hosted Ownership payments are executed from discrete accounts within the ring-fenced perimeter. Logs of approvals and payments are immutable and reconciled monthly.

**3.6 Publication and Transparency.** Annual remuneration and per diem schedules, aggregate expenditure by category, and any deviations from standard rates are published with lawful redaction of personal identifiers. Deferrals for privacy or security are reasoned, time-limited, and recorded in the deferral register. Executive summaries are published contemporaneously unless lawfully deferred.

**3.7 Data-Protection and Sovereignty.** Personal data processed for remuneration and per diems is governed by controller/processor allocations and DPAs. DPIAs are conducted for large-scale processing or cross-border transfers. Encryption is mandatory in transit and at rest; IAM enforces least-privilege; logs are immutable and reviewed periodically. Where sovereignty mandates localisation, payroll and expense data are hosted in-country or escrowed under lawful mechanisms.

**3.8 Domestication and Hosted Ownership Alignment.** At shadowing, Member personnel observe remuneration workflows; at dual-key, joint approvals apply to Hosted Ownership payments; at lead-role, Members assume operational control under GSIA oversight; at handover, payroll systems and records are transferred and localised to national law. Readiness certification requires evidence of sustained compliance with fiduciary and publication standards.

**3.9 Records, Survivals, and Interfaces.** Remuneration records, per diem schedules, approvals, reconciliations, and publication registers are archived for the longer of Charter, statutory, or covenant periods. Survivals include confidentiality, data-protection obligations, audit and access rights, and IP in

templates. Interfaces exist with Document 11 for sanctions, Document 12 for data-protection, and Document 10 for liquidity planning.

## Chapter 4 — Cost Recovery and Value-for-Money Rules

**4.1 Purpose and Constitutional Standing.** Cost recovery ensures sustainability of GSIA operations without profit-making, while value-for-money (VfM) rules safeguard efficiency, economy, and effectiveness in the use of public-interest funds. This Chapter binds all GSIA entities, Hosted Ownership SPVs, and implementing partners under GSIA custody or fiduciary oversight.

**4.2 Principles of Cost Recovery.** Recoverable costs are limited to actual, reasonable, and necessary expenditures incurred in delivering GSIA-mandated services, including staff remuneration, assurance engagements, technology infrastructure, compliance, and governance functions. Recovery is calculated on a full-cost basis excluding any margin or markup. Indirect cost allocations follow published methodologies approved by SCE resolution and disclosed in funding instruments.

**4.3 Prohibited Practices.** Profit-taking, hidden margins, and cost inflation are categorically prohibited. Bundling of unrelated costs, double-charging, or allocation of costs to Hosted Ownership perimeters beyond documented scope constitutes a fiduciary breach sanctionable under Document 11 Chapter 4. Any deviation from approved cost structures requires reasoned, time-limited waiver and publication.

**4.4 VfM Assessment and Evidence.** VfM is assessed across the 3Es—economy, efficiency, and effectiveness—using benchmarks, market testing, and comparative analysis. Evidence includes procurement dossiers, competitive bid evaluations, cost-benefit analyses, and MEL outputs. VfM assessments are documented and appended to tranche approval packs; failures trigger corrective actions and may defer disbursements.

**4.5 Approval and Workflow Controls.** Cost recovery claims follow documented workflows: initiation with supporting evidence; validation by finance; approval under countersignature thresholds; and execution under four-eyes control. Hosted Ownership claims are processed within ring-fenced accounts and reconciled monthly. Logs are immutable and reviewed by Internal Audit.

**4.6 Publication and Transparency.** Annual cost recovery statements disclose categories, amounts, methodologies, and VfM assessments, published with lawful redaction. Deferrals for security or procurement integrity are reasoned, time-limited, and recorded. Executive summaries are published contemporaneously unless lawfully deferred.

**4.7 Data-Protection and Sovereignty.** Cost recovery data involving personal identifiers is processed under controller/processor allocations and DPAs. DPIAs are conducted for high-risk processing or cross-border transfers. Encryption and IAM controls apply; logs are immutable. Sovereignty constraints are respected through localisation or escrow arrangements.

**4.8 Domestication and Hosted Ownership Alignment.** At shadowing, Member personnel review cost recovery and VfM frameworks; at dual-key, joint approvals apply to Hosted Ownership claims; at lead-role, Members assume operational control under GSIA oversight; at handover, cost recovery systems and records are transferred and localised to national law. Readiness certification requires evidence of sustained compliance with VfM and fiduciary standards.

**4.9 Interfaces and Assurance.** This Chapter interfaces with Document 03 (Flowhub custody), Document 06 (ESG safeguards), Document 08 (MEL for VfM indicators), Document 09 (External Validation), Document 10 (stress testing for liquidity), and Document 11 (sanctions for fiduciary breaches).



Independent validators may be commissioned to opine on VfM compliance; findings are published with lawful redaction.

**4.10 Records and Survivals.** Cost recovery claims, VfM assessments, approvals, reconciliations, and publication registers are archived for the longer of Charter, statutory, or covenant periods. Survivals include confidentiality, data-protection obligations, audit and access rights, and IP in templates and methodologies.

## Chapter 5 — Financial Transparency

**Preamble to Chapter 5.** This Chapter is promulgated under the GSIA Charter and shall be read consistently with Documents 00–12 and Chapters 1–4 of this Framework. Publication remains a control with lawful redaction and time-limited deferrals by reasoned resolution. The constitutional allocation of functions is preserved: the GSIA SCE sets transparency policy and receives statutory and programme-level disclosures; GSIA Holding AB maintains canonical templates, taxonomies, registers, and evidence standards, without operational entanglement; GSIA AB prepares and publishes disclosures under SLA within ring-fenced accounts and discrete ledgers; Hosted Ownership perimeters apply identical standards with survival of audit and access rights post-handover as stipulated. Controller/processor roles are explicit; DPIAs are conducted for high-risk processing; IAM and immutable logs apply; encryption is mandatory in transit and at rest.

**5.1 Transparency Doctrine and Scope.** Financial transparency is constitutive of fiduciary integrity and public trust. It encompasses, at minimum, Member subscription statements, Flowhub commission accrual and utilisation within ring-fenced functions, grant and pooled fund positions, cash flow statements by programme and project, treasury exposures and hedging summaries, procurement awards and contract registers, remuneration/per diems aggregates, and cost-recovery disclosures with value-for-money analysis. Where Hosted Ownership is in force, disclosures include title registers, escrow summaries, negative pledge and non-attachment attestations, and reversion readiness summaries with domestication gates.

**5.2 Registers and Publication Cadence.** The Secretariat maintains and publishes, with lawful redaction, the following: (i) Funding Register (subscriptions assessed/received; arrears/deferrals); (ii) Commission Register (rates, bases, accruals, ring-fenced allocations); (iii) Grants and Pools Register (donors, windows, conditions, tranche status); (iv) Contracts and Awards Register (method, value, duration, supplier sanctions status); (v) Remuneration and Per Diems Register (aggregates by grade/category); (vi) Deferral and Redaction Register (reasons, scope, expiry); and (vii) Rectification and Appeals Docket for transparency-related decisions. Quarterly summaries are mandated; annual consolidated statements are digitally signed, time-stamped, and hash-anchored for integrity.

**5.3 Content Standards and Evidence.** Disclosures follow canonical templates with cross-walks to the Unified MEL Framework, the Flowhub Operating Manual, and the Legal Instruments Compendium. Each line-item is supported by evidence packs comprising ledgers, reconciliations, bank statements, contract instruments, verification notes, and immutable access logs. Sampling frames and reconciliation tolerances are specified; variances beyond tolerance are reasoned, time-limited, and tracked to closure.

**5.4 Lawful Redaction and Deferral.** Redaction is narrowly tailored to protect personal data, security-sensitive configurations, and privileged legal analysis. Deferrals are exceptional, reasoned, and time-limited, identifying the disclosure unit deferred, the grounds, the responsible officer, and the

sunset date. Upon expiry, disclosures are published or a renewed resolution is issued. Serial deferrals escalate to the SCE Board.

**5.5 Interfaces with INFF and Programme Transparency.** Where a Member or REC employs an Integrated National Financing Framework (INFF) or equivalent, GSIA disclosures conform to the Member's financing taxonomy and budget classification to enable consolidation, comparability, and public scrutiny. For programme-level transparency, GSIA adopts a structured **EFFORT**-style presentation (e.g., **E**xpenditure lines; **F**inancing sources; **F**lowhub custody; **O**utputs; **R**esults; **T**ransition/domestication status), ensuring that public reporting links money to outputs, outcomes, and domestication gates. Such interfaces do not derogate GSIA publication doctrine; they enhance accessibility and alignment.

**5.6 Digital Trust and Access.** Public disclosures are delivered through a digital trust portal governed by least-privilege IAM, with machine-readable datasets for non-sensitive aggregates. Validators, auditors, and competent authorities receive controlled access to underlying records. Access and activity logs are immutable and independently reviewed. Break-glass access is recorded and subject to post-event justification.

**5.7 Hosted Ownership Specifics.** Within Hosted Ownership, transparency extends to the ring-fenced perimeter without exposing identifiers that could compromise security or procurement integrity. At reversion, a transfer notice, reconciled inventory, and post-handover survivals (audit rights, records, warranties, liabilities as stipulated) are published with lawful redaction.

**5.8 Non-Compliance and Remedies.** Material transparency failures constitute Class A findings under Document 11 and may ground sanctions, tranche holds, or step-in over specified processes. Corrective action plans, verification, and closure are published. Repeated failures may limit authority matrices or commission utilisation until remediation is verified.

**5.9 Records, Survivals, and Assurance.** Disclosures, workpapers, resolutions, redaction keys under seal, and integrity artefacts are archived for the longer of Charter, statutory, or covenant periods. Survivals include confidentiality, data-protection obligations, audit and access rights, and IP in templates. Independent validators may be commissioned under Document 09 to opine on transparency conformity.