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## Annex IV: Updated terms of reference for the Budget Committee

# Terms of reference of the Budget Committee

This document captures the policy as adopted by the Board in decision B.12/37, paragraph (b). The policy was sent to the Board for consideration at B.12 in document GCF/B.12/26 titled "Establishment of a Budget Committee of the Board".

All decisions and documents adopted at B.12 can be found in document GCF/B.12/32 titled "Decisions of the Board – Twelfth Meeting of the Board, 8-10 March 2016".

This document was updated by the Board in B.38/07, paragraph (c).

1. The mandate of the Budget Committee is to review and make recommendations to the Board on the preparation and implementation of the Administrative Budget of the Fund. The Committee will also review the work programme of the Secretariat and proposed budget of the Fund, in accordance with paragraphs provisions 18 (j) and 23(e) of the Governing Instrument.

## **I. Role and functions**

2. The role of the Budget Committee is to review and make recommendations to the Board on matters related to the administrative budget of the GCF.

3. In fulfilling this role, the Budget Committee will:
  - (a) Review and make recommendations on the Fund's proposed administrative budget, including the budget implications of the presentation of the staffing structure and changes to the Human Resources (HR) policy guidelines;
  - (b) Review and make recommendations on the execution of the expenditures of the administrative budget;
  - (c) Review and make recommendations on financial reports and related documents submitted by the Trustee of the GCF;
  - (d) Cooperate with the Ethics and Audit Committee in relation to the annual audits of the GCF; and
  - (e) Consider any other matters related to the administrative budget of the GCF as referred to the Committee by the Board.

## **II. Membership**

4. The Budget Committee will comprise:
  - (a) Three developing country Board members or alternate Board members; and
  - (b) Three developed country Board members or alternate Board members.
5. The Chief Finance Officer will serve on the Committee as an ex officio member.
6. The Committee will be assisted by the Secretariat.
7. Members of the Committee will serve for a term of three years.

## **III. Duration**

8. The Budget Committee will be a standing committee of the Board.
9. Three years following its establishment, the Board will evaluate the TOR of the Budget Committee.

## **IV. Guidelines of operations**

10. Provisions will be put in place to manage actual and potential conflicts of interests.