

# Terms of reference of the Risk and Finance Committee

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This document is as adopted by the Board in decision B.44/16, paragraph (a). It was sent to the Board for consideration at B.44 in document GCF/B.44/16/Rev.01 titled “Review of committees: Co-Chairs’ proposal for an updated structure for Board committees”.

All decisions and documents adopted at B.44 can be found in document GCF/B.44/21 titled “Decisions of the Board – forty-fourth meeting of the Board, 25 - 28 March 2026”.



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## I. Role and functions

1. The mandate of the Risk and Finance Committee is to support the Board in exercising oversight over the Fund's financial management and prudent risk governance, by overseeing the Fund's financial frameworks, financial and non-financial risk management framework, and by monitoring alignment with that framework.
2. In fulfilling this role, the Risk and Finance Committee will:
  - (a) Oversee the implementation and management by the Secretariat of a financial risk management framework. This will enable the Fund, including its Private Sector Facility (PSF), to systematically identify risks, contextualize them and manage them appropriately;
  - (b) Oversee and review a register of strategic risks across the Fund;
  - (c) Monitor the management by the Secretariat of the Fund's overall risk profile, including the PSF, to confirm that the Fund is operating within Board-approved risk limits;
  - (d) Review and provide recommendations on periodic risk management reports and/or notification of material breaches of risk limits or procedures, as provided by the Secretariat;
  - (e) Review and provide recommendations on independent evaluations of the implementation of sound risk management practices by the Fund;
  - (f) Support the Executive Director in ensuring the continuous development of a risk- and compliance-aware culture in the Fund;
  - (g) Provide advice to the Board on strategic matters relating to financial reporting and related audit requirements for the Fund; Review and make recommendations to the Board on audits of the administrative budget, as necessary; Review and make recommendations to the Board on external financial audit reports;
  - (h) Provide guidance on any proposed amendments to the trustee arrangements prior to Board consideration; and
  - (i) Make recommendations related to the risks related to the Fund's use of financial instruments.
3. The Risk and Finance Committee will consider recommendations and advice provided to it by the Operations and Portfolio Committee.
4. The Risk and Finance Committee may consider any other matter referred to it by the Board.

## II. Membership

5. The Risk and Finance Committee will comprise:
  - (a) Four developing country Board members or alternate members; and
  - (b) Four developed country Board members or alternate members.
6. The Executive Director or their representative may attend the meetings of the Risk and Finance Committee in an advisory capacity.

### **III. Duration**

7. The Risk and Finance Committee is a standing committee of the Board.

### **IV. Guidelines for operation**

8. Provisions will be put into place to manage actual and potential conflicts of interest, consistent with applicable Board decisions and policies.



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