



**GREEN
CLIMATE
FUND**

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Reports from committees, panels and groups of the Board of the Green Climate Fund

Summary

This document contains the reports on activities that have been conducted or are planned to be undertaken by the following committees and panels of the Board of the Green Climate Fund during the reporting period from 20 February 2025 to 20 May 2026:

- (a) Accreditation Panel;
- (b) Budget Committee;
- (c) Ethics and Audit Committee;
- (d) Independent Technical Advisory Panel;
- (e) Operations and Portfolio Committee;
- (f) Performance Oversight Committee of the Executive Director and the Heads of the Independent Units; and
- (g) Risk and Finance Committee.

Table of Contents

I.	Introduction	1
II.	Report on the Activities of the Accreditation Panel	2
III.	Report on the Activities of the Budget Committee	3
IV.	Report on the Activities of the Ethics and Audit Committee	5
V.	Report on the Activities of the Independent Technical Advisory Panel	6
VI.	Report on the Activities of the Operations and Portfolio Committee	8
VII.	Report on the Activities of the Performance Oversight Committee of the Executive Director and the Heads of Independent Units	10
VIII.	Report on the Activities of the Risk and Finance Committee	11

I. Introduction

1.1 Background and mandate

1. Paragraph 17 of the General guidelines for the operation of Board committees (decision B.32/09(a), as updated by decisions B.40/03(a) and B.44/16(d)) states that “Committees shall at each meeting report to the Board on their activities including on the status of implementation of their workplans and Board mandates to the committees within timelines specified in the respective committees’ annual workplans”.

2. This unified report covers the activities conducted or planned by the committees and panels of the Board during the current reporting period from 20 February 2026 to 20 May 2026. Where known, it also indicates activities planned to be carried out by the committees and panels of the Board in advance of its forty-fifth meeting (B.45).

1.2 Updated Board committee structure

3. At its forty-fourth meeting (B.44), through decision B.44/16, the Board adopted a comprehensive update of its governance bodies to streamline increasingly complex mandates, eliminate overlaps, and optimize institutional efficiency. This decision established an updated committee structure, adopted revised terms of reference, and put into effect updated General guidelines for the operation of Board committees. At the same meeting, the Board also appointed members to the newly established committees.

4. The updated committee structure came into effect on 1 April 2026, and the newly reconfigured committees commenced operations immediately. To ensure consistency across the GCF governance framework, the Board confirmed that all prior mandates, delegated authorities, and procedural requirements assigned to previous committees remain in full force and effect for their respective successor committees.

5. In accordance with the revised structure, the reporting committees and panels now comprise:

- (a) **Budget Committee (BC)**, with an expanded membership of eight members, continuing its oversight of the administrative budget and budget execution;
- (b) **Ethics and Audit Committee (EAC)**, consisting of six members, maintaining its focus on internal audit, ethics, and integrity, with external audit functions transferred to the RFC;
- (c) **Operations and Portfolio Committee (OPC)**, an eight-member committee that integrates all former mandates of the Accreditation Committee with the non-financial programming and portfolio oversight mandates from the former Investment Committee;
- (d) **Performance Oversight Committee of the Executive Director and the Heads of the Independent Units (POC)**, maintaining its baseline mandate and structure;
- (e) **Risk and Finance Committee (RFC)**, an eight-member committee that consolidates all risk management mandates with centralized financial mandates transferred from the Budget and Investment Committees, alongside external audit oversight; and
- (f) **Independent Technical Advisory Panel (ITAP)** and the **Accreditation Panel (AP)**, which continue to fulfil their specific advisory and expert screening roles under the oversight of their respective successor committee and the Board.

6. Committee and Panel reports are presented in alphabetical order.

II. Report on the Activities of the Accreditation Panel

2.1 Introduction

7. This report addresses the mandate given to the Accreditation Panel (AP) in decision B.07/02, paragraph (g), to serve as an independent technical panel to advise the Board on matters related to the accreditation of entities to GCF. The AP is responsible for conducting the accreditation process in accordance with its terms of reference, as adopted by the Board through decision B.39/05 and updated Modalities of Work, as endorsed by the Board through decision B.37/06, paragraph (a).

2.2 Activities during the reporting period

2.2.1. Review of accreditation applications

8. At the forty-fourth meeting of the Board (B.44), the AP and the Secretariat presented 12 applicants for accreditation, including 10 new applicants—one of which was the first national DAE for the respective country, the State of Palestine—and 2 applicants for accreditation scope upgrades. Furthermore, a total of 9 applicants, comprising 5 national direct access applicants, 1 regional direct access applicant and 3 international access applicants, are being prepared for submission to the Board for consideration at its forty-fifth meeting (B.45).

9. During the reporting period, the AP convened multiple conference calls with applicants undergoing Stage II (Step 1) of the accreditation review under the UAF. These engagements served to strengthen the Panel's understanding of each applicant and to clarify matters arising during the review process. [7](#)

10. The AP has conducted one site visit to a direct access entity in Nepal to assess its systems, procedures and practices. The site visit was instrumental in completing the accreditation assessment for the applicant.

11. The AP continues to engage expert firms and individual consultants on an as-needed basis to support accreditation reviews conducted under the UAF during the transitional period.

2.2.2. Review of accreditation conditions for accredited entities

12. As of 30 April 2026, 148 of the 168 entities accredited by the Board had been approved with conditions, whether at the time of accreditation, upgrade or re-accreditation. To date, 57 AEs have fulfilled and closed all of their conditions, often through strengthening institutional policies and procedures and building a track record within their respective accreditation scope to meet GCF accreditation standards. The AP continues to coordinate with the remaining 91 AEs with conditions so they can be ready to program with GCF. Since the previous reporting period, the AP has reviewed and closed one or more conditions for 10 AEs, including both direct access and international access entities, reflecting improvements in areas such as AML/CFT policies, internal audit, environmental and social safeguards and gender standards.

2.2.3. Accredited entity monitoring and framework

13. Pursuant to the transitional arrangements under the updated Monitoring and Accountability Framework (MAF), entities accredited prior to the effective date of the RAF are required to submit annual self-assessment reports for the reporting period ending 31 December 2025. As of 30 April 2026, 93 entities (81 per cent) have submitted their annual self-assessment reports, including 12 mid-term review reports, all of which are currently under review.

2.2.4. Implementation of the Revised Accreditation Framework

14. With the entry into effect of the Revised Accreditation Framework (RAF), the AP has continued to support the Secretariat in implementing changes to the accreditation process and in planning application reviews in line with the RAF screening requirements. In particular, the AP has provided feedback on the development of the GPP/P RTP platforms to enhance efficiency and improve core functionalities, thereby supporting more effective review processes.

2.2.5. Engagement with stakeholders

15. On the margins of B.44, the AP held meetings with the representatives of the Secretariat, independent units and active observers to discuss their work.

16. The AP and AC met to discuss accreditation proposals for B.44, with the AP addressing any questions raised by the AC.

2.3 Next steps

17. Following the B.44 accreditation approvals, 12 applicants under the previous accreditation framework remain under review by the AP. Of these, the AP and the Secretariat will recommend 9 applicants for accreditation to the Board at B.45, including 5 national direct access applicants and 1 regional direct access applicant. Two of the national direct access applicants are the first direct access entities from their respective countries (Ecuador and Mali). In addition, the AP and the Secretariat will present 3 international access entities.

18. The AP will continue to work closely with the Secretariat to review applications under the RAF in accordance with the applicable service standards. The AP will also work closely with the Secretariat to ensure that Board-approved budgets for AP members and expert technical consultants (individuals and firms) are aligned with resourcing needs under the parallel updates to the accreditation framework and RAF workstreams during the one-year transitional period.

19. The AP will continue to review evidence submitted by AEs in relation to conditions adopted by the Board at the time of their respective accreditation, re-accreditation or upgrade for the remaining UAF applications. The AP will also continue to assess the status of accreditation conditions to ensure alignment with the RAF for the remaining UAF applications expected to be considered at upcoming Board meetings.

20. The AP, on a rolling basis, is reviewing reports with respect to the fifth year of the accreditation term (decision B.38/18, paragraph (q)) as they are submitted by the AEs following the Board's decision to extend the accreditation terms of AEs, and end-of-term accreditation review reports and annual self-assessments, as needed.

III. Report on the Activities of the Budget Committee

3.1 Overview

21. During the reporting period, the Budget Committee held two meetings, both by teleconference, throughout the reporting period.

22. Membership and participation reflected continuity. At its meeting on 29 April 2026, the Budget Committee reached consensus to have José Delgado continue serving as Chair.

23. The Budget Committee conducted its work in accordance with its Terms of Reference and the Board's workplan for 2025–2027. Activities arising out of the Budget Committee's terms of reference

3.2 Activities arising out of the Budget Committee's terms of reference

24. **Committee governance and terms of reference.** The Budget Committee considered the updates to its Terms of Reference, including clarification of the Committee's mandate, adjustment of membership arrangements, alignment with the general guidelines for the operation of Board committees, and minor editorial revisions following the adoption of the new committee structure (decision B.44/16). The Committee took note of the updates and did not raise substantive concerns.

25. **Work programming and budget planning.** The Budget Committee discussed the sequencing and alignment of committee work programmes and budget discussions. Members emphasized the importance of preparing work programmes before budget discussions, improving coordination across committees, and providing clearer, earlier inputs to support budget planning. Members also emphasized the need to maintain a multi-year outlook and retain the three-year rolling approach agreed under the administrative budget and accounting framework. The Committee also discussed the further development of budget-related key performance indicators, including benchmarking, disaggregation and the assessment of underperformance.

26. **Trustee budget and forecasting.** The Budget Committee reviewed the 2025 trustee budget, including the factors that had led to additional trustee fees. The Committee discussed the challenges of forecasting trustee fees, including the timing of contributor payments, project disbursements and investment income. Members noted that trustee fees are calculated only on cash balances held by the Trustee, and not on promissory notes. The Chair requested that the Secretariat provide recommendations to improve forecasting ahead of future budget cycles.

27. **Administrative budget carryover.** The Budget Committee reviewed the administrative budget carryover from 2025 to 2026. The Committee noted that carryover was generally limited to funds committed under existing contracts where delivery could not be completed within the originally planned year, and that all amounts remained within approved budget envelopes. Members welcomed the additional transparency and discussed the need to monitor recurrent carryovers and distinguish temporary delivery delays from potential systemic issues.

28. **IRM case-related costs and workplan considerations.** The Budget Committee reviewed the Independent Redress Mechanism's case-related workload, cost drivers and budget implications. The discussion covered rising case volumes, the resource intensity of mediation processes, the use of consultants and travel, and the potential role of accredited entities' grievance redress mechanisms in managing cases at the local level. Members emphasized the importance of aligning workplan development with budget expectations.

29. **Salary scale review methodology.** The Budget Committee considered the updated methodology for reviewing salary scales under the Staff Rules and Regulations framework. The discussion covered the transition away from outdated benchmarking, the use of benchmark groups based on talent movement data, annual salary scale reviews, comprehensive reviews every four years, and the use of the cost-of-labour index. Members sought clarification on the implications for budget envelopes, competitiveness, regional presence and budget neutrality.

30. **Budget execution and financial reporting.** The Budget Committee reviewed budget execution for January to April 2026. The Committee noted that total administrative expenditure stood at approximately USD 38.1 million, or 26 per cent of the budget, and that execution remained within approved budget envelopes. Members welcomed the clear presentation.

IV. Report on the Activities of the Ethics and Audit Committee

4.1 Introduction

31. The Ethics and Audit Committee (EAC), a standing Committee of the Board, continues its tasks in accordance with its terms of reference (decision B.05/13, annex XVIII, as updated by the Board through decision B.44/16(a)), to provide guidance on issues pertaining to conflict of interest, confidentiality, ethics, financial management, procurement and other audit functions as they relate to the Board. The EAC also provides guidance to the Independent Redress Mechanism (IRM) and the Independent Integrity Unit (IIU).

32. Since the last report to the Board, the EAC welcomed Ms. Mareike Well, replacing Ms. Kobi Bentley. The current Chair of the EAC is Mr. Stephane Cieniewski.

33. During the reporting period, the EAC held five meetings, and continued addressing mandates from the Board and receiving information and reports from relevant stakeholders by email.

4.2 Report on activities during the reporting period

34. The following items were the main issues considered by the EAC:

- (a) Matters arising out of the workplans of the independent units;
- (b) Matters arising out of the implementation of the GCF integrity policy framework;
- (c) Matters relating to information disclosure; and
- (d) Matters relating to internal and external audit.

4.3 Activities under the EAC terms of reference

4.3.1. Matters arising out of the workplans of the independent units

35. The EAC received for information an IRM Quarterly Report covering the period from 1 January to 31 March 2026. At several meetings the EAC was kept abreast of overall IRM progress against its workplan, including ahead of the consideration by the Board at B.44 of a compliance report.

36. The EAC received updates on the status of cases handled by the IIU, in particular pertaining to a recent whistleblowing case.

4.4 Activities addressing mandates from the Board

4.4.1. Matters arising out of the implementation of the integrity policy framework

37. **Requests for waivers.** The EAC received and reviewed a request for waiver under the suite of policies on Ethics and Conflict of Interest. The EAC recommended that the Board consider granting a waiver which was subsequently approved by the Board.¹ At the time of reporting, there are no pending requests for waivers.

38. **Policies on Ethics and Conflict of Interest.** The EAC had repeated engagements on a series of allegations made under the suite of policies on ethics and conflict of interest and on

¹ Through decision B.BM-2026/05, the Board decided to grant a waiver before employment with the Secretariat.

other parallel submissions. In one case, the EAC determined that the submission fell outside of the purview of the committee because the matter did not raise ethics or integrity issues and referred it to the appropriate channels.

39. In submissions containing allegations, and in accordance with the relevant Board-approved policies, the EAC is conducting a review of the credibility of the allegations prior to determining whether they warrant an investigation. During the period covered by this report, the EAC has completed the review of one set of allegations and has determined that they do not warrant an investigation. The Chair of the EAC has informed the complainant accordingly. The review in the remaining cases is ongoing.

4.4.2. **Matters relating to the GCF Information Disclosure Policy**

40. At its 120th meeting, the EAC engaged with Ms Eleni Kyrou, Head of Sustainability and Inclusion, on the approach for the review of the implementation of the GCF Information Disclosure Policy. The EAC agreed on the timeframe for the report of the review and discussions on any policy recommendations ahead of the consideration by the Board of the report, which is currently planned for B.46.

4.4.3. **Matters relating to internal and external audit**

41. **External audit.** At its 118th meeting which took place in early March, the EAC met with representatives from the External Auditor and was presented with the audit plan for 2026. Following Board decision B.44/16(a), the review and recommendation of the audited financial statements of the Fund has been mandated to the newly established Risk and Finance Committee (RFC). The EAC retains an overall mandate on external and internal audit reports in accordance with the relevant audit framework, and, where relevant, in collaboration with the RFC.

42. **Internal audit.** The EAC met twice with the Head of the Office of the Internal Auditor (OIA). At its 118th meeting, the EAC was presented with the OIA Workplan 2026-2029 and had the opportunity to engage in detail on planned audits and advisories. Subsequently, at its 119th meeting, the EAC was also presented with a comprehensive annual report on audit activities in 2025. The EAC receives summaries of internal audit reports and, upon its request, received and reviewed specific reports in their entirety as well.

4.5 Next steps

43. The EAC will continue to perform its functions in accordance with its mandate. The EAC is scheduled to meet twice more ahead of B.45. Outcomes of these two meetings will be reported in the next EAC report to the Board.

V. **Report on the Activities of the Independent Technical Advisory Panel**

5.1 Review of funding proposals

44. The independent Technical Advisory Panel (iTAP), in accordance with the initial investment framework adopted in decision B.07/06 and the guidelines provided through various subsequent decisions, in particular decision B.37/20 with activity-based investment guidelines (6 criteria and 24 coverage areas), as well as decision B.33/12, annex VI on

“Principles for demonstrating the impact potential of GCF-supported activities”, reviewed funding proposals and conducted its assessments for the reporting period.

45. The iTAP received advance notification of 16 funding proposals for consideration at the forty-fifth meeting of the Board (B.45). The Secretariat initially submitted 12 proposals to the iTAP for assessment. Following a one-time exception granted by the iTAP to accommodate a slightly shortened assessment period, one additional private sector proposal was included, bringing the total number of proposals submitted for assessment to 13. The Secretariat indicated that the proposals not submitted had been withdrawn from the B.45 pipeline and would instead be deferred to a future Board meeting.

46. One proposal under the proposal approval process (PAP) modality was submitted in advance of the deadline on 14 April 2026. A further 11 proposals were submitted on 20 April, comprising 8 under the PAP modality and 3 under the simplified approval process modality. Lastly, the proposal submitted outside the standard review period, also a PAP, was submitted on 11 May. Of the 13 proposals, 2 were resubmissions and 1 was submitted under the project-specific assessment approach.

47. For funding proposals under the PAP, the iTAP engaged virtually with the accredited entities (AEs), the applicant submitting under the project-specific assessment approach, and the Secretariat through written question-and-answer exchanges, as well as follow-up video calls, to gain a better understanding of the proposals. Although written questions and follow-up calls with AEs are not required under the new simplified review process for proposals made through the simplified approval process, the iTAP did request written answers and a video call from one of the AEs for further clarification on responses to questions.

48. Where necessary, as part of the finalization of the assessments, the iTAP received written feedback from the Office of the General Counsel before finalizing the assessments.

49. Of the 13 funding proposals assessed in this round, the iTAP recommended the approval of 11 by the Board at B.45. Eight of these were recommended without conditions; three contained proposed conditions and/or covenants that are suggested for inclusion in the Board approval. Seven of the 11 funding proposals had recommendations from the iTAP to the relevant AE on how to potentially strengthen the proposed project; one proposal had both conditions and recommendations. The iTAP assessments of the two funding proposals which were not recommended for approval by the Board at B.45 include reasoning for their non-recommendation and are circulated to Board members and advisers along with the funding proposal package, as limited distribution documents, as well as to the relevant AE and national designated authority.

50. The iTAP made itself available to the AEs to clarify questions regarding the funding proposals not recommended for approval by the Board.

5.2 Other matters

5.2.1 iTAP event at B.44

51. On the margins of B.44 in Songdo, South Korea, the iTAP held its “Meet the iTAP” event, providing an opportunity for iTAP members to engage with AEs, executing entities, Board members, observers and the GCF Secretariat. During the event, the iTAP Chair delivered a session on “Nature-based Solutions across the GCF portfolio” of adaptation, mitigation and cross-cutting projects and programmes, highlighting trends observed over time². The session also provided participants with an opportunity to ask questions and share their insights.

² Available at <https://www.greenclimate.fund/event/meet-itap-nature-based-solutions-across-gcf-s-portfolio>

5.2.2. Performance review of individual iTAP members

52. In decision B.43/01 and decision B.BM-2026/03, the Board endorsed the renewal of four members for a three-year term, starting on the expiration date of their current term. In accordance with decision B.41/03, individual performance evaluations for current iTAP members whose Board-appointed contracts expire in July 2026 (two members) are being conducted by an independent firm.

5.2.3. Operationalization of Board Decision B.44/07

53. The Board in decision B.44/07, requested the Operations and Portfolio Committee to conduct further analysis based on option 1 of the possible reform packages for the iTAP, as well as the findings of the review report. As part of this process, the iTAP continued its engagement with both the Operations and Portfolio Committee and the Secretariat.

5.2.4. Election of the Chair of the Independent Technical Advisory Panel

54. During the reporting period, the iTAP elected Rey Guarin as its Chair, effective 28 May 2026. The Chair provides leadership and coordination for the work of the Panel, supports engagement with the Board, Secretariat and relevant stakeholders, and contributes to the effective functioning of iTAP in accordance with its mandate. The appointment helps ensure continuity in the Panel's leadership and work as the Board considers options related to the future mandate and institutional arrangements of iTAP.

VI. Report on the Activities of the Operations and Portfolio Committee

6.1 Overview

55. The Operations and Portfolio Committee (OPC), a newly established standing committee through decision B.44/16 and effective since 1 April 2026, is mandated to provide strategic recommendations to the Board on the Green Climate Fund's accreditation and investment frameworks across the full project and activity cycle and in accordance with the Fund's objectives, result areas, social and environmental safeguards, and risk management framework.

56. This report covers the period from 20 February to 20 May 2026. During the reporting period, the predecessor Investment Committee and Accreditation Committee each held one in-person meeting on the margins of B.44, while the newly established Operations and Portfolio Committee (OPC) convened two meetings and continued advancing mandates assigned by the Board. The present report reflects the relevant activities undertaken both prior to and following the transition to the updated Board committee structure.

6.2 Activities addressing mandates from the Board

6.2.1. Review of the independent Technical Advisory Panel (iTAP)

57. The Investment Committee, the mandates of which were absorbed by the present Operations and Portfolio Committee, met on the margins of B.44 to discuss the review of iTAP and agreed to request the Board to take note of the request from the Committee to conduct further analysis on the basis of option 1 and the findings contained in the iTAP review report, and to inform the Board of progress at the forty-fifth meeting of the Board.

58. Following the Board's decision at B.44, the Committee met on 30 April and 19 May 2026 to continue its consideration of the matter. During these discussions, the Secretariat presented a draft outline for the iTAP review, which had been prepared in consultation with iTAP members, and shared the outline with OPC members for further review and input. The meeting of 19 May included engagement between members of the iTAP and the OPC on approach to the iTAP review process. Members further reflected on the implications of the review and agreed that the Committee would provide a progress update to the Board at B.45 under the report from the Committees, while substantive discussion and approval of the review are anticipated to take place at B.46.

6.2.2. Review of the financial terms & conditions of the GCF

59. On the margins of B.44, the Investment Committee approved the revised terms of reference for the Secretariat to conduct biennial reviews of the financial terms and conditions of GCF financial instruments, as set out in annex II to decision B.09/04.

6.2.3. Performance review of individual iTAP members

60. Following Board decision B.43/01 on the renewal of an iTAP member, the Committee continued its consideration of the performance of individual iTAP members whose contracts are approaching expiration. Under decision B.BM-2026/03, the Board endorsed the nomination by the Investment Committee for the reappointment of three iTAP members for an additional three-year term commencing upon the expiration of their current terms.

61. Performance evaluations for the four members whose contracts expire in March 2026 were conducted between October and December 2025 in accordance with decision B.41/03. One of these members subsequently informed the GCF of their decision not to seek an extension of their panel membership. During the reporting period, interviews were conducted to identify a replacement for the departing member.

62. Following the reporting period, the Committee is expected to receive the evaluation results and consider a recommendation to the Board regarding the renewal of the contracts of the remaining two members whose terms expire in July 2026, as well as the appointment of one new member.

6.2.4. Update on the implementation of the revised Accreditation Framework (RAF) and progress on Review of the Accreditation Panel

63. The Accreditation Committee, the mandates of which were absorbed by the present Operations and Portfolio Committee, met on 24 March to discuss the proposed TOR for consultancy services for a broad review of the objectives, role, structure, governance and operational modalities of the Accreditation Panel in supporting Board decision-making under the RAF, as mandated by the Board at the forty-second meeting of the Board.

64. During the reporting period, the new OPC also received updates on accreditation-related work streams transitioned from the former Accreditation Committee, including implementation of the revised Accreditation Framework (RAF), developments related to monitoring and accountability, and the evolving responsibilities and structure supporting these functions.

65. The Committee also oversaw progress related to the consultancy reviewing the Accreditation Panel's fitness for purpose under the RAF, for which the terms of reference had previously been reviewed and approved by the Board. Further updates on these matters will be provided at future Committee meetings.

6.2.5. **Independent Evaluation Unit's (IEU) workplan**

66. The Head of the Independent Evaluation Unit (IEU) presented an overview of the IEU's strategic objectives, the methodology used to identify and prioritize evaluation topics, and the proposed approach for engagement with the OPC in relation to the 2027 work plan.

67. The Committee was also briefed on the indicative timeline for engagement on the IEU work plan and budget, including opportunities for OPC discussion and feedback prior to endorsement and subsequent Board consideration at B.46. The importance of coordinating discussions with the Budget Committee to facilitate an efficient review process was further emphasized.

6.3 Next steps

68. The OPC will continue advancing its work in accordance with its mandate and the Board's performance evaluation framework.

VII. **Report on the Activities of the Performance Oversight Committee of the Executive Director and the Heads of Independent Units**

7.1 Overview

69. During the reporting period, the Performance Oversight Committee of the Executive Director and Heads of Independent Units (POC) held two meetings: once alongside the forty fourth meeting of the Board (B.44) and one between Board meetings. POC was chaired by Leif Holmberg throughout the reporting period. Membership reflected continuity.

70. POC conducted its work in accordance with its Terms of Reference and the Board's performance evaluation framework for Board-appointed Officials.

7.2 Activities arising from the POC's terms of reference

7.2.1. **Performance management of Board-appointed Officials**

71. POC reviewed and approved the individual work- and development plans of the four Board-appointed officials — the Executive Director and the Heads of the Independent Evaluation Unit, Independent Integrity Unit, and Independent Redress Mechanism, with support from the external firm Russell Reynolds Associates.

72. POC have discussed the organisation and timeline of the mid-term review, the planning of 360-degree assessment of the BAO as well as the end of year assessment.

7.3 Activities arising from Board-mandated work

7.3.1. **Development of a proposed salary scale for Board-appointed Officials**

73. POC directed the Secretariat's implementation of the Board's mandate to develop a proposed salary scale for Board-appointed Officials (decision B.42/15 (f)), including through benchmarking against comparable international organizations.

74. During the reporting period, the committee received the final report from the consultant and considered the matter. Following the decision by the Committee not to present the item at B.44 but to postpone it to a later Board meeting, POC agreed to discuss the item during B.45 informal meeting to ensure Board members are informed of the work being undertaken by POC and to seek their views, with the intention of bringing a decision to B.46.

7.4 Next steps

75. The POC will continue advancing its work in accordance with its mandate and the Board's performance evaluation framework.

VIII. Report on the Activities of the Risk and Finance Committee

8.1 Introduction

76. The Risk and Finance Committee (RFC), a newly established standing committee through decision B.44/16 and effective since 1 April 2026, is mandated 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. All existing mandates, delegated authorities, and procedural requirements previously assigned to its predecessor, Risk Management Committee (RMC), remain in full force and effect.

77. This report covers the period from 20 February until 20 May 2026. During the reporting period, the predecessor RMC held one in-person meeting, and the newly established RFC held two meetings and continued addressing mandates from the Board. This report captures the relevant activities before and after the update to the Board committee structure.

8.2 Report on activities during the reporting period

78. The following items were the main issues considered by the RMC:

- (a) Proposed counterparty credit limits; and
- (b) Proposed engagement timeline between the Independent Evaluation Unit (IEU) and the RMC.

79. The following items were the main issues considered by the newly established RFC:

- (a) Election of the RFC Chair;
- (b) Matters relating to the draft RFC workplan for 2026;
- (c) Portfolio risk update; and
- (d) Matters relating to the draft audited financial statements.

8.3 Activities addressing mandates from the Board

8.3.1 Proposed counterparty credit limits

80. The RMC considered the proposed counterparty credit limits developed by the Secretariat in accordance with decision B.34/22, paragraph 6(a) (iii) on a no-objection review basis following a presentation from the Secretariat. The counterparty credit limit was endorsed

by the RMC on 4 March 2026 thereby confirming that the limit appropriately reflects GCF's corresponding risk appetite for FX risk and enable the GCF to manage its foreign exchange risk exposure to minimize the effect of currency fluctuations on the commitment authority of the Fund. The Secretariat has continued to complete internal milestones and expects to commence hedging activity in the summer of 2026.

8.3.2. Proposed engagement timeline between the IEU and the RMC

81. The IEU presented its proposed engagement timeline to the RMC before the Board adopted the updated committee structure at its forty-fourth meeting (B.44). Members of the RMC had already noted the possible transfer of the mandate to a new Board committee and received a supplementary note addressing their comments and the IEU's responses.

8.3.3. Election of the RFC Chair

82. At its inaugural meeting, the newly established RFC discussed the chairpersonship and elected Mr. Andrew Hurst who would serve as RFC Chair until June 2026, at which point the Committee is expected to elect a new Chair.

8.3.4. Matters relating to the draft RFC workplan 2026

83. The RFC discussed its draft workplan for 2026, noting alignment with the Board workplan. Members also noted the timing and sequencing of the components under the risk management framework which are currently undergoing a review by an external firm.

8.3.5. Portfolio risk update

84. As part of its regular monitoring and reporting in accordance with the risk appetite statement, the Secretariat provided the RFC with an update on the portfolio concentration of the Fund against 80% of the relevant thresholds stipulated in the risk appetite statement and an overview of the notable issues and/or delays by the top Accredited Entities.

8.3.6. Matters relating to the draft audited financial statements

85. The final package of the audited financial statements is expected to be circulated to the RFC for review and endorsement ahead of publication for B.45 (which is outside the reporting period of this report).

8.4 Next steps

86. The RFC will continue to perform its functions in accordance with its mandate.
