



**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 21 May 2026 to 21 September 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 Heads of Independent Units; and
- (g) Risk and Finance Committee.

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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 21 May 2026 to 21 September 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-sixth meeting (B.46).

1.2 Updated Board committee structure

3. At 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**, with an expanded membership of eight members, continuing its oversight of the administrative budget and budget execution;
- (b) **Ethics and Audit Committee**, consisting of six members, maintaining its focus on internal audit, ethics and integrity, with external audit functions transferred to the Risk and Finance Committee;
- (c) **Operations and Portfolio Committee**, 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**, maintaining its baseline mandate and structure;
- (e) **Risk and Finance Committee**, 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** and the **Accreditation Panel**, 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-sixth meeting of the Board (B.46), the Board will consider 16 applications presented by the AP and the Secretariat: 13 applications under the revised accreditation framework (RAF) and three under the updated accreditation framework (UAF). The three UAF applicants are all direct access entities (DAEs), comprising two national entities and one regional entity. These are the final UAF applications scheduled for presentation to the Board. B.46 is the first meeting at which the AP is presenting accreditation recommendations under the RAF. Six of the 13 applicants are DAEs, including five national and one regional, from diverse regions, including the first national DAE for Maldives to be considered under the RAF, further expanding the geographic reach and number of DAEs within the GCF accredited entity (AE) network.

9. As part of the accreditation process, the AP conducted a site visit to a regional DAE whose application was being assessed under the UAF, with the aim of gaining a deeper understanding of its systems, procedures and practices. The site visit provided valuable insights and was instrumental in completing the accreditation assessment of the applicant.

10. The AP engaged two individual consultants as needed to support accreditation reviews conducted under the UAF and the RAF in the reporting period.

2.2.2. Review of accreditation conditions for accredited entities

11. Through B.45, 157 of the 177 entities accredited by the Board had been approved with conditions, either at the time of accreditation, upgrade or re-accreditation. Of these, 60 AEs have fulfilled all of their conditions, often by strengthening institutional policies and procedures and building a track record within their respective accreditation scopes to meet GCF accreditation standards. The AP, in close coordination with the Secretariat team, reviews evidence provided by AEs to close conditions. Since the previous reporting period, the AP has reviewed and closed 52 conditions for 22 AEs, including both direct access and international access entities. This reflects progress in areas such as anti-money-laundering and countering the financing of terrorism policies, other integrity-related standards, internal audit, environmental and social safeguards, and gender standards.

2.2.3. Implementation of the revised accreditation framework

12. The AP has continued to support the Secretariat in implementing the RAF. The AP provided feedback on the development of the GCF Partner Portal and Project Preparation and Tracking Platform to enhance efficiency and strengthen core functionalities.

13. The AP and the Secretariat held four webinars on the RAF, during which guidance was provided to potential applicants and national designated authorities. Two sessions focused on private sector applicants and drew 169 participants, while another two sessions focused on public sector applicants and drew 182 participants, for a total of 351 participants. The sessions gave participants intending to apply in the second application window an opportunity to ask questions directly and clarify the application and screening requirements.
14. The AP continued to develop guidance for specific categories of applicants to support a clearer understanding of the screening requirements under the RAF. It also contributed to refinements of the accreditation process, including the approach to environmental and social safeguards and gender upgrade applications.
15. The AP provided technical input to the Secretariat on the expanded fast-track modality approved under the RAF for the second RAF application window. Four of the 13 RAF applications presented at B.46 were reviewed under the fast-track modality, with two reviewed under the expanded fast-track modality.

2.2.4. Engagement with stakeholders

16. On the margins of B.45, the AP met with the Operations and Portfolio Committee (OPC) to present its role, structure and scope of work, as well as the accreditation proposals for B.45, and to address any questions raised by the OPC. The AP anticipates regular engagement with the OPC.
17. The AP held meetings with representatives of the Secretariat, such as the Africa regional team, independent units and active observers to discuss their respective areas of work.
18. In addition, the AP engaged with counterparts at the Adaptation Fund with a view to better harmonize approaches. The AP also provided inputs to the consultants appointed by the Secretariat and the Accreditation Committee to review the terms of reference of the AP.

2.3 Next steps

19. During the first application window under the RAF, 83 applications were submitted, with the applicable application fees paid. As at 31 August 2026, the Secretariat had transferred 28 applications to the AP. The 28 applications comprised 16 direct and 12 international access entities and represent a diverse range of organizations, including line ministries, development banks, development sector organizations and the private sector.
20. Of the 28 applications, 13 are being presented to the Board at B.46, while the remaining 15 are under review. To date, none of the applications transferred to the AP have exceeded the recommended five-month review period, and no negative screening reports have been issued. With the UAF application pipeline completed, future accreditation recommendations will focus on applications submitted under the RAF.
21. As the RAF pipeline increases, maintaining review timelines will require additional resources aligned with the volume and complexity of applications. The AP will continue to work with the Secretariat to ensure that the Board-approved budgets for AP members and expert technical consultants remain aligned with the resources needed to deliver its work.
22. The AP will continue to assess evidence submitted by AEs in relation to conditions adopted by the Board at the time of their respective accreditation, re-accreditation or upgrade.

III. Report on the activities of the Budget Committee

3.1 Overview

23. During the reporting period, the Budget Committee held five meetings and continued its review of the administrative budget and budget execution. The Committee focused principally on the proposed 2027–2029 work programmes and budgets of the Secretariat, the Board, the Trustee and the independent units, emphasizing affordability, efficiency and alignment between resources and expected delivery.

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

24. **Budget execution and planning.** The Committee reviewed budget execution for January–April 2026, noting total administrative expenditure of approximately USD 38.1 million, or 26 per cent of the budget, within approved envelopes. It also considered the approach to the 2027–2029 budget and requested clearer links among strategic priorities, expenditure and efficiency gains.

25. **Secretariat and Board budgets.** The Committee considered successive proposals for the Secretariat and Board budgets. The revised Secretariat proposal retained the provisional envelopes endorsed at B.43 as the baseline and proposed an operational contingency of approximately 3 per cent to deliver on increased programming capacity enabled by the application of the refined Commitment Authority Framework methodology (decision B.45/01), noting the dependency on the ongoing consultations concerning the Work Programme. Members requested clearer governance arrangements, quantified efficiency gains and further information on delivery and regional presence. For the Board budget, members requested closer scrutiny of travel costs and noted possible resource implications of higher programming volumes. The consideration of both budgets was ongoing at the end of the reporting period.

26. **Trustee and independent units' budgets.** The Committee reviewed the proposed Trustee budget and requested improved comparison with amounts endorsed at B.43 and clarification of cash-flow assumptions. It also reviewed the 2027–2029 work programmes and budgets of the Independent Redress Mechanism, Independent Integrity Unit and Independent Evaluation Unit, including in light of caseloads, staffing, efficiency measures and projected budget execution.

27. **Salary scale review methodology.** The Committee discussed the methodology – which has now been adopted – for reviewing staff salary scales, including revised benchmarking, annual reviews, comprehensive reviews every four years and use of a cost-of-labour index. Members sought clarification on budgetary implications and regional presence.

3.3 Activities addressing mandates from the Board

28. **Regional presence and the third replenishment period of GCF (GCF-3).** The Committee reviewed preliminary budget implications of regional presence and the GCF-3 replenishment process. Members emphasized implementation within existing constraints, value for money, clearer cost information and continued attention to budget neutrality.

29. **Operational contingency and coordination.** The Committee requested an ex ante process linking access to any operational contingency with demonstrated need, delivery progress, the approved work programme and Committee oversight. It also continued coordinating the sequencing of work programme and budget discussions with other Board committees.

3.4 Next steps

30. The Committee will continue the review of the Secretariat and Board budgets on its 22 September 2026 meeting, focusing on the proposed operational contingency and its governance. With the meeting taking place outside the reporting period, its outcome will feature in the next committee report to the Board.

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 and the Independent Integrity Unit.

32. Since the last report to the Board, the EAC welcomed Mr. Olivier Cuny, replacing Mr. Stephane Cieniewski. The current Chair of the EAC is Mrs. Nino Tandilashvili.

33. This report covers the period from 21 May 2026 to 21 September 2026. During the reporting period, the EAC held four 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;
- (d) Matters relating to internal and external audit; and
- (e) Election of the EAC Chair.

4.3 Activities under the Ethics and Audit Committee terms of reference

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

35. In July, the EAC received for information the Independent Redress Mechanism Quarterly Report covering the period from 1 April to 30 June 2026. The EAC was kept abreast of overall progress against the Independent Redress Mechanism workplan, including ahead of the consideration by the Board at B.46 of a compliance report.

36. The EAC received updates on the status of cases handled by the Independent Integrity Unit.

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 before employment with the Secretariat under the suite of policies on ethics and conflict of interest. The EAC reviewed the request but at the time of reporting, it has not reached a conclusion.

38. **Policies on ethics and conflict of interest.** The EAC continues to engage on allegations of misconduct made under the suite of policies on ethics and conflict of interest and on other related submissions.

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 further action, including, where appropriate, an investigation. During the period covered by this report, the EAC has received and is reviewing three new sets of allegations.

4.4.2. Matters relating to the GCF Information Disclosure Policy

40. At its 124th meeting which was held at the sidelines of B.45, the EAC received a first presentation on the initial findings and emerging recommendations from the review of the implementation of the GCF Information Disclosure Policy. The EAC was also notified at a subsequent meeting of delays in finalizing the review, and of an updated time frame for the consideration of the full package by the EAC and by the Board. Although no longer planned to be presented for consideration by the Board at B.46, the work on the implementation review and related recommendations continues and substantive engagements between the Secretariat and the EAC are expected to take place during the EAC meeting at B.46.

4.4.3. Matters relating to internal and external audit

41. **Internal audit.** The EAC met with the Head of the Office of the Internal Auditor (OIA) at its 124th meeting, which was also the Head's farewell to the Committee ahead of taking up duty in another organization in September. The EAC was presented with an update of the OIA Workplan 2026–2029 and reflected, together with the Head of OIA, on the evolution of the function over the past three years and on the outlook for the future, noting also that the selection for the new Director of Internal Audit was near finalization but still ongoing.

4.4.4. Election of Chair

42. At its 125th meeting which took place on 21 July 2026, the EAC elected Mrs. Nino Tandilashvili as Chair of the Committee for the remainder of the term of the Board.

4.5 Next steps

43. The EAC will continue to perform its functions in accordance with its mandate. The EAC is scheduled to meet on three more occasions before B.46. Outcomes of these 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 24 funding proposals for consideration at the forty-sixth meeting of the Board (B.46), however only 21 proposals were submitted to the iTAP for assessment. The Secretariat indicated that the proposals not submitted had been withdrawn from the B.46 pipeline and would instead be deferred to a future Board meeting.

46. The Secretariat requested the iTAP to make a one-time exception to accommodate the submission of two of the proposals after the designated deadline. The Secretariat indicated that these proposals required additional time to finalize preparation of the package. The iTAP accepted this request and considered it a practical way to help improve the accredited entity (AE) submission and iTAP assessment process.

47. Five proposals were submitted in advance of the deadline; one was submitted on 20 July 2026, and four additional proposals were submitted on 29 July. On 12 August 2026, the Secretariat submitted 13 proposals to the iTAP, and on 17 September it submitted the 2 remaining proposals, comprising a total of 19 proposals under the proposal approval process modality and 2 under the simplified approval process modality. Of the 21 proposals, 2 were resubmissions and 4 were submitted under the project-specific assessment approach.

48. For funding proposals under the proposal approval process, the iTAP engaged virtually with the AEs, the applicant submitting under the project-specific assessment approach, and the Secretariat through written question-and-answer exchanges, as well as with 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.

49. 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.

50. Of the 21 funding proposals assessed in this round, the iTAP recommended the approval of 20 by the Board at B.46. Twelve of these were recommended without conditions; eight contained proposed conditions and/or covenants that are suggested for inclusion in the Board approval. The iTAP assessment of the one funding proposal that was not recommended for approval by the Board at B.46 includes reasoning for its non-recommendation and is 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.

51. On 18 September 2026, the iTAP was informed of material changes to one of the recommended funding proposals after the assessment period. The iTAP assessment remains based on the original proposal received on 12 August 2026 and does not cover the updated funding proposal.

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

53. In addition to these proposals, the iTAP was informed that the Secretariat would be submitting an additional proposal for the Board’s consideration. This proposal was reviewed by the iTAP as part of the B.45 cycle, and the iTAP recommended it for approval with conditions.

5.2 Other matters

54. On the margins of B.45 in Dushanbe, Tajikistan, 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 delivered a session on “Reflections for Funding Proposals by the Independent Technical Advisory Panel”, exploring the key characteristics and considerations that contribute to a strong and well-designed project.¹ The session also provided participants with an opportunity to ask questions and share their insights.

55. On 31 July 2026, one new member joined the iTAP, and their onboarding took place in early August and late September, including an internal iTAP session, and a joint session with the Secretariat.

56. The iTAP continued its engagement with the Operations and Portfolio Committee as well as the Secretariat regarding the possible iTAP reform packages as per decision B.44/07.

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

6.1 Overview

57. The Operations and Portfolio Committee (OPC) is mandated to provide strategic recommendations to the Board on the GCF accreditation and investment frameworks across the full project and activity cycle and in accordance with GCF objectives, results areas, social and environmental safeguards, and risk management framework.

58. This report covers the period from 21 May to 21 September 2026. During the reporting period, the Committee held one in-person meeting on the margins of B.45 and three meetings virtually and continued advancing mandates assigned by the Board. The present report reflects the relevant activities undertaken by the Committee.

6.2 Activities addressing mandates from the Board

6.2.1. Review of the independent Technical Advisory Panel

59. Following the discussions at B.44 and B.45 (respectively decisions B.44/07 and B.45/07), the Committee continued its consideration of the Review of the independent Technical Advisory Panel (iTAP). The discussions focused on the future role of the iTAP, including whether its primary function should be to advise the Board or to support quality assurance throughout the funding proposal review process. The Committee also considered opportunities for earlier engagement between the iTAP and the Secretariat, a potential hybrid structure combining a core panel with a roster of experts, and mechanisms for addressing differences between iTAP and Secretariat assessments.

60. Building on these discussions, the OPC developed a refined reform package and provided further details on three areas: (i) the introduction of a targeted early-engagement mechanism in the funding proposal appraisal process; (ii) the potential establishment of a core-and-roster model for the iTAP; and (iii) the process for reappointing iTAP members.

¹ Available at: [Meet the iTAP: Reflections for Funding Proposals by the Independent Technical Advisory Panel | Green Climate Fund](#)

61. The proposal was shared with the Secretariat, the iTAP and the Independent Units and Budget Committee for feedback and subsequently circulated to OPC members ahead of B.46. After further consideration of the implications of the proposed reforms, the Committee agreed to provide the Board with a progress update and seek its approval at B.46 under the report of the Committees.

6.2.2. Performance review of individual independent Technical Advisory Panel members

62. Following Board decision B.44/07, the OPC continued its analysis based on a review of the function, governance and role of the iTAP, including consideration of the process for future reappointment of iTAP members, in general, and as mandated by decision B.45/07. The Committee separately continued its consideration of the performance of individual iTAP members whose contracts are approaching expiration. Through decision B.45/05, the Board endorsed the nomination by the OPC for reappointment of three iTAP members for an additional three-year term commencing upon the expiration of their current terms.

63. Subject to Board approval, performance evaluations are planned to be conducted in November 2026 for the three members whose contracts expire in December 2026.

64. 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 three members.

6.2.3. Update on the implementation of the revised Accreditation Framework and progress on review of the Accreditation Panel

65. Following the Board's adoption of the terms of reference for consultancy services to conduct a broad review of the Accreditation Panel's objectives, role, structure, governance and operational modalities under the revised Accreditation Framework, as contained in annex II to document GCF/B.44/10, the OPC provided guidance to the Secretariat on the conduct of the review and the presentation of its findings and recommendations to the Board.

66. Following completion of the preliminary review, the OPC considered the findings presented by the external consultancy firm and provided guidance to the Secretariat. To allow sufficient time for consideration of the findings and recommendations, the Committee agreed to provide the Board with a progress update at B.46 while continuing its deliberations on the Secretariat input and recommendations. It also noted that the terms of the current Accreditation Panel members might need to be extended beyond May 2027 to ensure continuity while the review process was being finalized. The OPC further agreed that, following additional consideration and consultation with the Committee, the Secretariat would finalize its recommendations for submission to the Board, either through a decision between Board meetings or at B.47.

67. 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, developments related to monitoring and accountability, and the evolving responsibilities and structure supporting these functions.

68. The Committee also oversaw progress related to the consultancy reviewing the Accreditation Panel's fitness for purpose under the revised Accreditation Framework, for which the terms of reference had previously been reviewed and approved by the Board.

6.2.4. Independent Evaluation Unit workplan

69. 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 workplan.

70. The Committee was also briefed on the indicative timeline for engagement on the IEU workplan and budget, including opportunities for OPC discussion and feedback prior to endorsement and subsequent Board consideration at B.46. During the reporting period, the OPC met and approved IEU's workplan which was shared subsequently to the Budget Committee.

6.3 Next steps

71. 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 Heads of Independent Units

7.1 Overview

72. This report covers the period from 21 May to 21 September 2026. 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-fifth meeting of the Board (B.45) and one between Board meetings. The POC was chaired by Leif Holmberg throughout the reporting period. Membership reflected continuity.

73. The POC conducted its work in accordance with its Terms of Reference and the Board's performance evaluation framework for Board-appointed officials (BAOs).

7.2 Activities arising from the POC's terms of reference

7.2.1. Performance management of Board-appointed officials

74. The 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. The Committee was supported by the external firm Russell Reynolds Associates.

75. The POC discussed the organization and timeline of the mid-term reviews, the planned 360-degree assessments of the BAOs, and the year-end performance reviews. The POC agreed to organize the annual performance evaluations of the BAOs to be presented at the Committee's meeting during B.46.

76. As part of the mid-term review, check-ins with each BAO took place between July and August to discuss progress against their agreed work plans, identify any challenges, and confirm that arrangements remained on track. The performance review cycle is expected to conclude with the year-end assessments.

7.2.2. Year-End Performance Reviews

77. During the reporting period, the POC conducted the relevant year-end performance reviews to inform the Board's broader consideration of the possible reappointment of Board-appointed officials.

78. The POC is expected to present its assessment to the Board at B.46 to inform the Board's consideration on the Board-appointed officials' possible reappointment.

7.3 Activities arising from Board-mandated work

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

79. The POC continued its work in implementation of the Board's mandate under decision B.42/15, paragraph (f), to conduct a review of the salary levels of all Board-appointed officials and to develop a proposed salary scale for Board-appointed officials. The proposal was discussed at the informal meeting held during B.45.

80. The paper was circulated to the Board for written consultation in September and is expected to be considered at B.46.

7.4 Next steps

81. 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

82. The Risk and Finance Committee (RFC), a standing committee established through decision B.44/16 and effective since 1 April 2026, is mandated to support the Board in exercising oversight over GCF financial management, and prudent risk governance, by overseeing the GCF 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, the Risk Management Committee, remain in full force and effect.

83. During the reporting period between 21 May and 21 September 2026, the RFC held four meetings and continued addressing mandates from the Board. This report captures the relevant activities undertaken during this time frame.

8.2 Report on activities during the reporting period

84. The following items were the main issues considered by the RFC:

- (a) Election of the RFC Chair;
- (b) Matters relating to the refined Commitment Authority Framework methodology;
- (c) Matters relating to the ongoing review of the Risk Management Framework;
- (d) Matters relating to foreign exchange hedging;

- (e) Matters relating to the external auditor performance review and proposed reappointment; and
- (f) Portfolio risk update.

8.3 Activities addressing mandates from the Board

8.3.1. Election of Risk and Finance Committee Chair

85. At its meeting on 28 June 2026 in Dushanbe, Mr. Amjad Abdulla was nominated by the Committee members from the Developing constituency for the role of RFC Chair. The Committee welcomed the nomination, and Mr. Abdulla was elected as the new Chair. The new RFC Chair thanked the Committee and Mr. Andrew Hurst for his leadership and stewardship of the Committee over the preceding 16 months.

8.3.2. Matters relating to the refined Commitment Authority Framework methodology

86. The RFC considered the proposed refined Commitment Authority Framework (CAF) methodology with its risk-based approach and endorsed it at its meeting on 16 June 2026. The Committee noted that the methodology is consistent with existing Board-approved policies. The RFC's endorsement constituted a committee-level confirmation of the methodology's soundness within the existing policy framework, with final consideration of the overall refined CAF resting with the Board at its forty-fifth meeting. Through decision B.45/01, paragraph (a), the Board subsequently endorsed the methodology with its risk-based approach for the purpose of increasing programming capacity. Through the same decision, paragraph (d), the Board delegated to the RFC responsibility for monitoring the implementation and performance of the refined CAF methodology and advising the Board on any material issues arising from its initial implementation. The Secretariat presented examples of commitment authority scenarios resulting from changes to the key assumptions underpinning the refined methodology. Members emphasized the need for prudence during the initial implementation and expressed support for more conservative parameters, including the application of a 15 per cent capital conservation buffer rather than 10 per cent. This was consistent with the Board's request in decision B.45/01, paragraph (b), for the Secretariat to apply the refined CAF methodology in determining available commitment authority, exercising due prudence during the initial implementation period, while ensuring that implementation does not affect the Board's approval of resources already committed and that sufficient resources remain available to honour all approved funding commitments as and when required.

87. The Secretariat updated the Committee on work undertaken since B.45 to operationalize the refined CAF, including the development of administrative instructions and standard operating procedures. The Secretariat also reported that the latest calculations, based on the Trustee's June 2026 quarterly data, reflected a slight decline in available commitment authority, primarily due to changes in the composition of approved programming at B.45 and the application of the 15 per cent capital conservation buffer during the initial implementation period, in line with the Board's request in decision B.45/01, paragraph (b).

8.3.3. Matters relating to the ongoing review of the Risk Management Framework

88. The RFC received an update on the ongoing review of the Risk Management Framework. Discussions focused on the sequencing and prioritization of the review, including its relationship with the updated Strategic Plan for the GCF 2028–2031, as well as its scope and implications for the coherence of the overall risk management framework. The Secretariat explained the proposed prioritization of the Funding Risk Policy following the review of the refined CAF, with other components to follow in sequence, including the risk appetite statement,

the risk dashboard and the risk register. Members emphasized the importance of regular engagement throughout the review process and sufficient time for the Committee to review and provide guidance on the various components.

8.3.4. Matters relating to foreign exchange hedging

89. The Committee considered progress relating to the management of foreign exchange risk exposure to minimize the effect of currency fluctuations on the commitment authority of GCF. The RFC considered the Secretariat's approach to non-United States dollars (non-USD) contribution hedging, including the Board mandate, the evolution from the proposed use of an external hedging provider to the development of in-house hedging capability, and the associated governance and risk limits. The Committee discussed the scope of hedging and the management of non-USD currency exposure, including the distinction between asset-side and liability-side exposures. The Secretariat also briefed the Committee on the proposed operational arrangements with bank counterparties in the Republic of Korea and the use of commitment authority for hedge settlement, as provided for under the relevant policy framework.

90. At the RFC meeting on 12 August 2026, the Secretariat updated the Committee on a significant milestone in foreign exchange risk management, reporting that GCF had successfully executed its inaugural foreign exchange hedge transactions earlier in the same month to hedge approximately USD 400 million equivalent of non-USD contributions in pounds sterling, euros, Swedish krona and Japanese yen. The hedge notional amount is within the counterparty credit limit approved by the Committee, which was established based on the USD 50 million collateral reserve previously approved by the Board. The Secretariat noted that the amount hedged represents less than 5 per cent of the overall GCF non-USD exposure and highlighted the need for a more scalable framework, including potential further policy guidance from the Board. The Committee was also briefed on potential areas for further work, including enhanced collateral management, expanded management of non-USD exposure, and a potential framework similar to that of the International Swaps and Derivatives Association to broaden the pool of counterparties.

8.3.5. Matters relating to the external auditor performance review and proposed reappointment

91. The RFC considered the Secretariat's update on the performance review of the external auditor and the proposed reappointment framework. The Committee discussed the potential benefits and implications of moving from the current contractual model of '3+3' years, a three-year contract with the possibility of a three-year extension, to a contractual model of '5+5' years, a five-year contract with the possibility of a five-year extension, including institutional continuity, procurement and contractual considerations, auditor independence and the limited pool of Tier-1 firms with relevant multilateral development finance expertise. Members emphasized the importance of maintaining appropriate safeguards, including partner rotation, performance reviews and Board oversight. The Committee was broadly receptive to further exploration of the proposed approach and encouraged the Secretariat to undertake further analysis and return with recommendations for the Committee's consideration before any changes to the external auditor's terms of reference are proposed to the Board.

8.3.6. Portfolio risk update

92. As part of its regular monitoring and reporting in accordance with the Risk Appetite Statement, the Secretariat provided the RFC with an update on portfolio concentration against 80 per cent of the relevant thresholds stipulated in the Risk Appetite Statement, and an overview of notable issues and/or delays among the top accredited entities by committed amounts.

8.4 Next steps

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