



SAFEGUARDING CLIMATE FINANCE PROCUREMENT

**Assessment of the procurement
policies of the Green Climate Fund**

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Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of 31 August 2017. Nevertheless, Transparency International cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

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1. EXECUTIVE SUMMARY

In 2015, when countries signed on to the Paris Agreement on climate change, they committed to the goal of mobilizing jointly USD 100 billion dollars¹ a year by 2020 to assist developing countries in adapting to and mitigating the impacts of climate change. This money will primarily be channelled through the Green Climate Fund (GCF)² as the main financial mechanism³ under the UN Framework Convention on Climate Change (UNFCCC). Since the current level of global commitments⁴ and funding are likely to be significantly less⁵ than the amounts required to keep global warming below the two-degree limit, seamless procurement, efficient spending and a high impact of GCF funds is critical.

The GCF will undertake two kinds of procurement of goods and services: procurement for the GCF Secretariat itself; and procurement for projects approved by the Fund in developing countries. In either case, the quality of the procurement of goods and services from private companies will play a big role in determining how effectively climate finance is spent overall.

This study is a collaboration between Transparency International and the Open Contracting Partnership. A separate study will consider how accredited entities will procure at the national level for GCF projects. However, this study looks at the robustness of the institutional procurement policies of the GCF itself. Now is a good time to take stock: while spending on country projects will be much larger, the GCF's institutional policies are under development now and will likely be important in determining the roll-out of its international policies. At this early stage in the lifespan of the GCF, it is important to identify the extent to which resources used by the Fund on procurement (needs identification, the tendering process, vendor/expert selection) will be open, transparent and accountable. As the main financial mechanism under the UNFCCC, the level of openness and transparency shown by the GCF will help set the tone and approach for the entire field of climate finance.

This study evaluated policies related to GCF institutional procurement, ethics and conflict of interest. The evaluation was carried out against five principles developed by Transparency International and Open Contracting Partnership that are aimed at curbing corruption in public procurement.⁶ These principles are as follows:

INTEGRITY

Behaviours and actions that are consistent with a set of morals or ethical principles and standards that are embraced by individuals and institutions that create a barrier to corruption.

TRANSPARENCY

The characteristic of governments, companies, organisations and individuals of being open in the clear disclosure of information, rules, plans, processes and actions.

ACCOUNTABILITY

Governments, individual officials, companies and their executives and agents are accountable for the execution of their duties and for decisions and actions taken in their area of responsibility.

FAIRNESS AND EFFICIENCY

Public funds are not used to provide favours to specific individuals or companies; standards and specifications are non-discriminatory; there is equal treatment of all bids. To ensure efficiency, procurement rules must be proportionate to the value and complexity of the items to be procured.

PROFESSIONALISM

Procurement should be professionalised and not treated as an administrative task. Sufficient resources must be allocated to procurement and auditing offices to attract highly qualified individuals – with a clear career path.

Against each of these five principles, a set of minimum safeguards were developed to help evaluate the GCF's institutional procurement policies. A simple scoring process was employed to assess performance against these minimum safeguards: if an adequate (or strong) policy which reflects these minimum safeguards exists, 1 point (**green**) was awarded; if a policy exists but

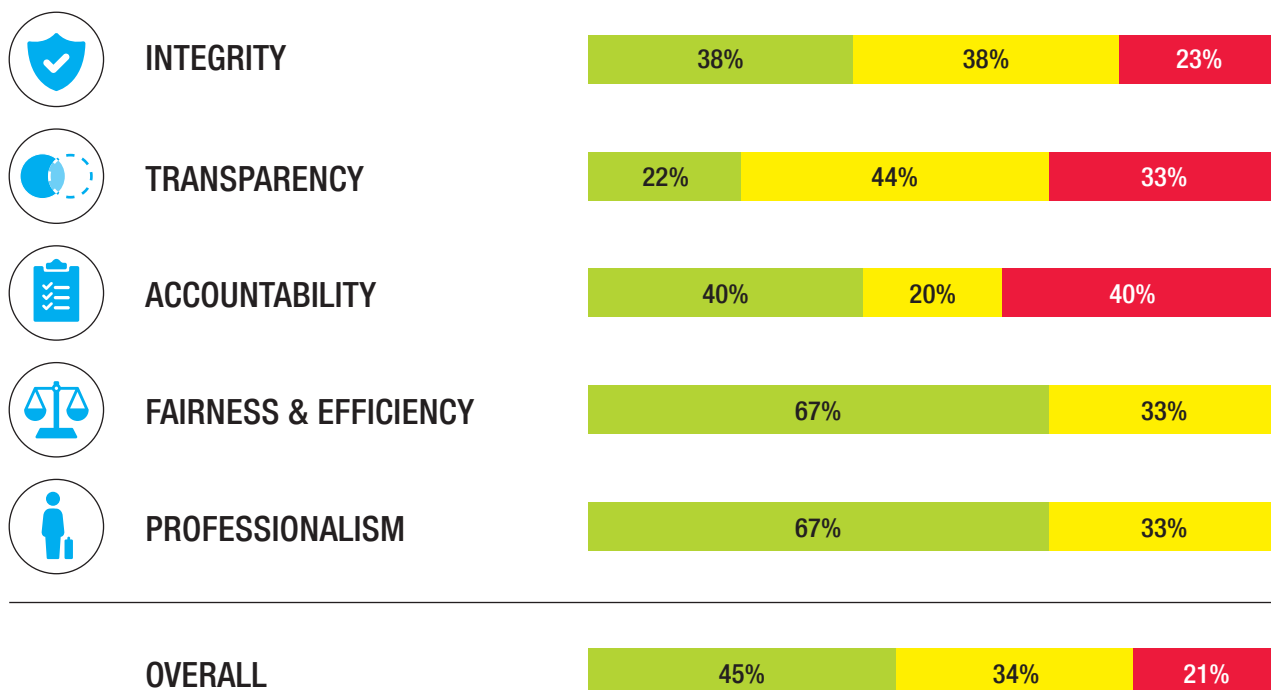
is weak in its reflection of the minimum safeguards, 0.5 (**yellow**) was awarded; and if there is a complete absence of the minimum safeguard in the GCF's policies, 0 (**red**) was awarded.

To summarise, the following areas were explored and evaluated for each of the five principles:

PRINCIPLE	SUMMARY OF MINIMUM SAFEGUARDS
1. Integrity	13 safeguards focusing on commitments to ethical behaviour through strong codes of conduct obligating employees to abstain from collusive and other fraudulent practices.
2. Transparency	10 safeguards that ensure the Fund has high standards of information disclosure for all aspects: bidding documents, financial asset reports, any form of gifts and benefits received by staff or Board members.
3. Accountability	10 safeguards designed to evaluate the Fund's monitoring mechanisms on issues of fraud, bribery or corruption, independence of auditing bodies, clear processes for resolving conflicts of interest, along with protection policies for whistle-blowers.
4. Fairness and efficiency	12 safeguards measuring the Fund's processes for open competition, equal access to information for all bidders, timelines for processing, with clearly defined principles of best value for money.
5. Professionalism	Three safeguards to evaluate the Fund's policies on hiring qualified staff on the basis of abilities and not on the basis of political connections. We also evaluated in this area the Fund's interest in providing career opportunities to procurement staff.

A summary of the complete analysis is provided on the following page.

SYNTHESIS OF THE RESULTS ALONG EACH PRINCIPLE



* Percentages might not add up to 100% due to rounding

** See Figure 2 on page 9 for an explanation of the scoring

The procurement policies of the GCF present a mixed picture. Overall, a minimum set of safeguards exist in each area, which is positive, but these do not cover all aspects required for a robust procurement system. For a total of 47⁷ safeguards that were used to evaluate the procurement policies of the GCF, 21 (45%) of them are met. Safeguards are weak in 16 areas (34%) and for the remaining 10 (21%) there are no safeguards in place. Using this simple approach, the study clearly identifies which areas have worked well so far and need to be supported, and where effort is needed to strengthen policy and practice.

Our main findings and recommendations are as follows:

Integrity

The Fund's performance on the integrity principle is mixed. While policies and guidelines in place encourage integrity in procurement, and staff are required to sign on to a code of conduct, an overarching anti-corruption policy is still not in place (it is "under consideration"). Thinking about the separation of procurement and project management staff remains weak (currently these are not explicitly separated). Change order procedures and rules around ethical conduct of GCF bidders also remain weak.

Recommendation 1: The GCF Secretariat should actively engage with its Independent Integrity Unit and other expert stakeholders to ensure that risks arising from procurement staff staying in position over extended periods of time are mitigated.

Recommendation 2: The GCF should ensure that new staff inductions require ethics training, preferably with certification. It should also ensure that "refresher" training is provided on a regular basis and that training on new policies or developments is provided.

Transparency

Out of the five areas, the GCF performs worst on basic transparency safeguards. Although disclosure of financial assets of GCF officials is provided for and although a process for accessing information is in place, there are significant gaps in terms of requirements on public availability of information for the whole procurement and public tendering process. There is a lack of clarity on what information will be made public and through what method. Public access to information related to the post-procurement contracting phase is not in place. Information that is public is not available in an appropriate open data format, thus reducing its usability. This finding is especially worrying given that the transparency (or lack of transparency) of the GCF will determine much with regard to the transparency of the entire nascent field of climate finance.

Recommendation 3: The GCF should revise its disclosure policies to allow for proactive sharing of information across the whole procurement cycle. This includes proactive disclosure of: activities carried out prior to initiating the procurement process (the planning); key elements of all bids (such as bidder identity, beneficial ownership); key elements of the bid evaluation process; the award and its justification; contracts; contract amendments; implementation; evaluation; oversight; and auditor's reports. It should further ensure a clear policy on redactions favouring the public interest.

Recommendation 4: The GCF should adopt a policy to ensure that information is prepared and shared in an easily accessible and user-friendly format. It should further adopt guidelines and processes to enable the Secretariat to publish documents and data on its contracting that are open, non-proprietary, searchable, sortable, platform-independent and machine-readable, such as through the Open Contracting Data Standard.

This information would also significantly improve the GCF's own internal reporting and book-keeping to donors and its Board, as well as improve project-level transparency and compliance processes.

Recommendation 5: The GCF should actively publish financial asset reports of senior managers and executive-level decision-makers.

Recommendation 6: The GCF should disclose its gift registry and report on the status of the registry at Board meetings.

Accountability

The Fund's accountability performance also requires attention. The Fund has a clear position on not tolerating fraudulent practices by its consultants and it has a clear performance assessment procedure in place, but it fails to articulate clear policies on whistle-blower protection or on penalising non-reporting of gifts by staff or the Board. While the disclosure policy allows public input on policies and strategies, there is no clarity on how this would work in relation to the Fund's institutional procurement.

Recommendation 7: The GCF should adopt, or explain an existing, procedural process whereby it may impose sanctions on its consultants where fraud, bribery or collusion is determined to have taken place. This should be maintained to effectively deter corrupt practices.

Recommendation 8: The GCF should clarify whether the observer role in its Institutional Procurement Committee includes civil society or not. In addition,

the GCF should develop or elaborate its policy in opening a space for civil society to monitor and oversee its planning and procurement processes when appropriate.

Recommendation 9: The GCF should adopt a formal process or procedure to deal with instances of perceived or actual conflicts of interest which arise during procurement and contracting processes. In the meantime, it should explain what interim processes are being applied.

Recommendation 10: The GCF should adopt a robust, independent and effective appeals process for aggrieved bidders that is accessible at any time during the procurement process. The appeals process should not be overly complex, time-consuming or expensive, and should be capable of suspending the procurement until a judgement is made. Preventative mechanisms, such as bidder feedback mechanisms, should also be considered.

Recommendation 11: In its whistle-blower policy which is currently under development, the GCF must ensure that there is adequate protection for whistle-blowers, to protect them from all forms of retaliation.

Fairness and efficiency

The GCF scores best on clear policies for open competition, publication of bidding opportunities and documents and evaluation criteria. It needs to improve communications around exceptions to competitive bidding and clarity around expected timelines for submission and opening, project start and completion, contract signing and implementation.

Recommendation 12: The GCF should ensure that all exceptions to the rules on open competitive bidding are closely documented and publicly available.

Recommendation 13: Disclosure of bidding opportunities and encouraging competition will be significantly improved by a policy of sharing procurement information in a non-proprietary, searchable, sortable, platform-independent and machine-readable open data format, such as through the Open Contracting Data Standard.

Professionalism

Attracting well-qualified staff is an issue that the GCF is grappling with in general – despite recent improvements in policies on compensation packages. A plan around staff training is absent, although funding is allocated for that purpose.

2. INTRODUCTION AND PURPOSE

Although it is clear that expenditure at the GCF Secretariat is dwarfed by that approved for projects on the ground, it is essential that the Secretariat itself upholds the standards expected of those implementing projects on the ground. It must set the tone from the top, and provide a model for accredited entities that are ultimately responsible for delivering projects directly in countries.

December 2015 was a historic moment for champions of climate change, when a global consensus was reached in the shape of the Paris Agreement on climate change.⁸

Following the excitement of the global deal being signed on to by over 196 countries, the attention is now shifting to action. Despite the newly-elected US government's ambivalence towards climate change, other world leaders are committed to honouring the Paris Agreement.⁹

Climate finance, to which the developed world has committed US\$100 billion annually by 2020, will be crucial for the successful implementation of the Paris Agreement. This money, and how it is channelled and used, will largely determine the amount of progress made in the struggle against climate change.

Various funding windows have been set up to channel climate finance to where it is needed. One of these is the GCF, a financial operating entity of the UNFCCC, itself the UN body responsible for the implementation of the Paris Agreement. As one of the largest multilateral climate funds, the GCF's mission is to mobilise funding at scale to invest in low-emission and climate-resilient development.¹⁰

With a full Secretariat in place, governed by a 24-member Board, with equal representation from developing and developed countries, the GCF is still in the process of setting its internal policies and working modalities. At the same time, it has started to fund projects in developing countries.

In terms of projects, the GCF has already approved funding of over US\$2.7 billion for 54 projects.¹¹ As many of the already funded projects are infrastructure-heavy, large proportions of funding are likely to be spent through procurement processes. Strong and effective procurement at all levels will be essential to ensure the funds committed are used for their intended purpose, and to maximise their impact.

How the GCF Secretariat itself spends its own money is also important. The Secretariat procures goods and services¹² to support its operations and ultimately to contribute to the fulfilment of its mandate.¹³ To put this in perspective, the administrative budget of the GCF already exceeds US\$35 million per year.¹⁴ A review of this budget shows that, barring Secretariat salary costs, up to US\$15 million a year is likely to be spent through procurement processes.

This study focuses solely on the procurement policies of the GCF itself; a separate study will consider how accredited entities will procure at the national level for GCF projects.

Setting standards by adhering to procurement safeguards is essential for the functioning of the GCF. If proper policies are not in place, there is a risk that corruption and other unfair practices may undermine the GCF's efficiency and effectiveness, thereby exposing it to increased reputational hazard.

It is not only critical to safeguard against corrupt, collusive, coercive, fraudulent or obstructive practices during vendor/expert pre-selection, tendering and contracting under institutional procurement policies,

it is also important to pay sufficient attention to the people who are engaged in procurement processes. As such, the GCF must ensure that it adheres to strict standards of transparency and accountability vis-à-vis the acquisition of gifts and services by staff, consultants, Board members and advisors, to reduce the potential for conflicts of interest that might interfere with the discharging of their duties. As the leading standard setter in climate finance, the level of openness and transparency shown by the GCF will help set the tone and approach for the entire field.

To assess the institutional procurement policies of the GCF in detail, in 2016 Transparency International and the Open Contracting Partnership partnered for this study. The assessment concentrates on identifying the safeguards in place to prevent corruption in procurement, recognising where these are strong and pointing out where there are gaps.

It is intended that this assessment will provide a basis for improvements in the procurement standards of the GCF Secretariat. It is recognised that some of the core policies of the GCF are still under development and as such this study is preliminary.



As the leading standard setter in climate finance, the level of openness and transparency shown by the GCF will help set the tone and approach for the entire field.

3. METHODOLOGY

This section details the procedure that was applied to evaluate the GCF's procurement policies for this study. It explains the safeguards used, the scoring system that was devised, the documents reviewed and the process followed to seek input and feedback from stakeholders, including the GCF Secretariat.

To identify the relevant safeguards on procurement¹⁵ policies by which to evaluate the GCF, Transparency International's existing principles for curbing corruption in public procurement were used. Based on its experience, Transparency International has

identified five key principles: integrity, transparency, accountability, fairness and efficiency, and professionalism. A definition for each key principle is provided in Figure 1.

FIGURE 1: FIVE KEY PRINCIPLES FOR CURBING CORRUPTION IN PUBLIC PROCUREMENT, AS DEFINED BY TRANSPARENCY INTERNATIONAL



INTEGRITY

Behaviours and actions that are consistent with a set of morals or ethical principles and standards that are embraced by individuals and institutions, that create a barrier to corruption.



FAIRNESS AND EFFICIENCY

Public funds not used to provide favours to specific individuals or companies; standards and specifications are non-discriminatory; there is equal treatment of all bids. To ensure efficiency, procurement rules must be proportionate to the value and complexity of the items to be procured.



TRANSPARENCY

The characteristic of governments, companies, organisations and individuals of being open in the clear disclosure of information, rules, plans, processes and actions.



PROFESSIONALISM

Procurement should be professionalised and not treated as an administrative task. Sufficient resources must be allocated to procurement and auditing offices to attract highly qualified individuals – with a clear career path.






ACCOUNTABILITY

Governments, individual officials, companies and their executives and agents are accountable for the execution of their duties, and for decisions and actions taken in their area of responsibility.

For each of the five principles, Transparency International has also defined a set of minimum safeguards that are required (see annex), which, if applied, will contribute to curbing corruption in public procurement. To evaluate the GCF's procurement policies, the same minimum safeguards were used to develop specific questions to be applied to the GCF. Using these 47 customised questions/indicators, this study assessed the GCF's existing procurement

governance system, and analysed its performance under each of the five principles. A simple scoring process was adopted: if an adequate (or strong) policy that reflects these minimum safeguards exists, 1 point (green) was awarded; if a policy exists but is weak in its reflection of the minimum safeguards, 0.5 (yellow) was awarded; and if there is a complete absence of the minimum safeguard in the GCF's policies, 0 (red) was awarded.

FIGURE 2: THE THREE-POINT TRAFFIC LIGHT SYSTEM TO EVALUATE THE GCF'S PROCUREMENT PERFORMANCE AGAINST EACH MINIMUM SAFEGUARD

	Green: A policy on the point in question exists, and is adequate and in line with good practice along the criteria in question.	1.0 POINT ALLOTTED
	Yellow: A policy on the point in question exists, however it is either weak, or enough evidence is not yet available to judge that it is robust enough to be in line with good practice along the criteria in question.	0.5 POINTS ALLOTTED
	Red: A policy on the point in question does not exist at all, or evidence regarding its existence could not yet be found as a result of the research.	0 POINTS ALLOTTED

To assess the GCF's performance, the following publicly available GCF policy documents were reviewed:

1. the GCF's Comprehensive Information Disclosure Policy (GCF/B.12/24)
2. administrative policies of the Green Climate Fund (GCF/BM-2014/01)
3. Administrative Guidelines on Procurement (GCF/B.08/31)
4. Administrative Guidelines on Human Resources (GCF/B.08/17)
5. Corporate Procurement Guidelines on the Use of Consultants and the Corporate Procurement Guidelines for Goods and Services (GCF/B.08/21)
6. the Policy on Ethics and Conflicts of Interest for the Board of the Green Climate Fund (GCF/B.09/03)
7. the Policy on Ethics and Conflicts of Interest for External Members of the Green Climate Fund Panels and Groups (GCF/B.10/13)
8. the Policy on Ethics and Conflicts of Interest for the Executive Director of the Green Climate Fund (GCF/B.10/13)
9. updated Administrative Guidelines on Human Resources (GCF/B.11/19)
10. policies addressing fraud, corruption and other prohibited practices, and policies addressing anti-money laundering and countering the financing of terrorism (GCF/B.11/18)
11. terms of reference of the heads of the Accountability Units

Following the desk review, the analysis was shared with the GCF Secretariat. The Secretariat had a two-month time period in which to review the analysis and to point out any errors or omissions, supported by documentary evidence. When justified, the analysis was updated. When supporting documentation or evidence was not provided, the analysis was not adjusted.

For each of the five principles, the set of minimum safeguards, key questions, scoring, reference to the relevant GCF document (sub-section, page number, exact excerpt from the document) are provided in the annex to this document.

RESEARCH LIMITATIONS

In addition to policy analysis, efforts were made to evaluate the practical application of those policies that are in place. However, since the GCF is a new institution no central data is available that can be used to verify the practical application of these policies. Furthermore, due to the high turnover of staff in the initial years, interviews also yielded no such information. Thus, practical application of these procurement policies was not included in the evaluation process.



Photo: Abe Sumalinog

4. ANALYSIS

This section details the five key principles. For each, it lays out the minimum safeguards, and how the existing procurement structure of the GCF scores, providing a cumulative picture for all five key principles. For specific details on each, please refer to the detailed annex.



KEY PRINCIPLE 1: INTEGRITY

Minimum safeguards

Transparency International defines integrity as behaviours and actions that are consistent with a set of morals or ethical principles and standards that are embraced by individuals and institutions that create a barrier to corruption.

Against the 13 minimum safeguards for integrity the GCF scores as follows:

	MINIMUM SAFEGUARD	POINTS
1	The GCF implements a code of conduct that commits the contracting authority and its employees to a strict anti-corruption policy.	0.5
2	The GCF conducts regular trainings with employees to ensure a smooth translation of the code of conduct into action.	0
3	The GCF ensures administrative processes and decisions reflect a strong commitment to compliance with rules, and there is limited scope for discretionary decision-making.	0
4	The GCF has strong commitment to integrity and ethical behaviour.	1
5	The GCF has clear restrictions on, and reporting rules relating to, the solicitation, giving and receiving of unsolicited gifts and entertainment.	1
6	Staff of the GCF involved in the planning phase are clearly separate from staff involved in the evaluation of contract implementation. However, one official should be responsible for overseeing the whole process.	0.5
7	The GCF has a clear and well-defined conflict of interest policy, along with a clearly laid out response/management plan.	1
8	For key decisions, the GCF makes use of additional mechanisms, such as evaluation committees, at crucial decision-making junctures.	1
9	The GCF ensures regular rotation of staff in sensitive positions (time frame pre-determined).	0
10	The GCF has a clear policy for private sector bidders, which includes codes of conduct for executives and employees, committing them to integrity and ethical behaviour.	0.5
11	The GCF ensures that all contracts between the procuring agency and its contractors, suppliers and service providers require the parties to comply with strict anti-corruption policies.	0.5
12	The GCF has a clear policy on contract change orders – alterations in price or in the description of work beyond a cumulative threshold are monitored and approved at a high level.	0.5
13	The GCF has a strict policy against collusion which restricts access to privileged information for the procuring agency, its contractors, suppliers and service providers.	1

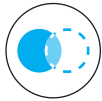
Scoring

Overall, of the total of 13 minimum safeguards under the integrity category, adequate policies exist for five. For the other eight, five remain weak and for the remaining three the GCF does not presently have

a policy that demonstrates these safeguards are provided for. In total, the **GCF scores 58% under the integrity principle**. Figure 3 gives a summary of the GCF's performance on the integrity principle.

FIGURE 3: SUMMARY OF THE GCF'S INSTITUTIONAL PROCUREMENT SAFEGUARDS IN RELATION TO THE PRINCIPLE OF INTEGRITY

DESCRIPTION	# OF MINIMUM SAFEGUARDS FOR WHICH THIS RATING WAS ACHIEVED	POINTS
The GCF's performance in relation to the integrity principle is mixed. There are a number of areas where significant work has been done. The GCF provides a wide range of policies which commit GCF actors to the highest standards of ethical behaviour. Clear restrictions and reporting rules on the solicitation, giving and receiving of unsolicited gifts and entertainment, as well as a clear and well- defined conflicts of interest policy, together with a clearly laid out response/ management plan are in place. Provision is made for key decisions to be made by using evaluation committees.	5	5.0
There remain, however, some very basic gaps which, if addressed, could significantly strengthen the integrity of procurement processes. For example, no explicit anti-corruption obligations are included in the GCF's code of conduct. Thinking around the separation of procurement and project management staff could be strengthened (currently these are not explicitly separated); as could change order procedures and rules around ethical conduct of GCF bidders.	5	2.5
The most significant weaknesses relate to the absence of an anti-corruption policy dealing specifically with procurement, the absence of plans to augment the code of conduct with regular training and monitoring and the absence of a specific policy to mitigate corruption risk due to staff remaining in position over extended periods.	3	0.0
Maximum score possible (A)		13.0
Score achieved (B)		7.5
Percentage achieved (B/A)		58%



KEY PRINCIPLE 2: TRANSPARENCY

Minimum safeguards

Transparency International defines transparency as the characteristic of governments, companies, organisations and individuals of being open in the clear disclosure of information, rules, plans, processes and actions.

Against the 10 minimum safeguards for transparency the GCF scores as follows:

MINIMUM SAFEGUARD		POINTS
1	The GCF makes public information related to procurement ¹⁶ , except when information is legally protected, such as in cases involving the protection of intellectual property or other confidential information.	0.5
2	The GCF makes public information related to contracts ¹⁷ , except when information is legally protected, such as for reasons of national security or in cases involving the protection of intellectual property or other confidential information.	0
3	The GCF ensures that the information (specified in minimum safeguard 1 and 2 above) is made available through an open web portal that is centralised at each level, to the extent possible. When a web portal is not available or is little used, the information is widely disseminated through alternative media.	0.5
4	Digital information is published in widely used formats that are non-proprietary, searchable, sortable, platform-independent and machine-readable.	0
5	Stakeholders in a major procurement process should be fully informed and consulted on relevant aspects of the project.	N/A
6	The internal and external control and auditing bodies of the GCF function independently and effectively and the external reports are accessible to the public.	0.5
7	The GCF requires disclosure by officials involved in the procurement process of financial assets, the amount and source of any other income, the amount and source of income of close family members and any outside activities in which an official has a leadership role, such as membership of charitable boards of directors.	1
8	Disclosure also involves a process for requesting information if it is not made available.	1
9	The GCF makes financial asset reports for senior managers available to the public.	0
10	The GCF requires all related stakeholders to publicly disclose all gifts/benefits received.	0.5

Scoring

Overall, of the total of 10 minimum safeguards under the transparency category, adequate policies exist for two of these. For four, they remain weak. For three, the GCF does not have a policy presently. One of the minimum safeguards (*stakeholders in a major procurement process should be fully informed and consulted on relevant aspects of the project*) was not scored as there was no evidence that there is any procurement that could be considered a major

procurement managed by the GCF Secretariat with significant numbers of potentially affected stakeholders. However, to the extent that the scope of procurement processes managed by the GCF expands beyond its current remit in the future, this would have to be revisited. In total, the **GCF scores 44% in relation to the transparency principle**. Figure 4 shows a summary of the GCF's performance in relation to the transparency principle.

FIGURE 4: SUMMARY OF THE GCF'S INSTITUTIONAL PROCUREMENT SAFEGUARDS AGAINST THE PRINCIPLE OF TRANSPARENCY

DESCRIPTION	# OF MINIMUM SAFEGUARDS FOR WHICH THIS RATING WAS ACHIEVED	POINTS
The GCF performs worst on the transparency principle. The GCF does require disclosure by officials involved in the procurement process of financial assets, the amount and source of any other income, the amount and source of income of close family members and any outside activities in which an official has a leadership role, such as membership of charitable boards of directors. A process for stakeholders external to the Fund to access information not proactively made available is also in place.	2	2.0
However, there are some gaps in terms of requirements regarding the public availability of information relating to the tender process: for example key elements of all bids in a public tender opening event (such as bidder identity, beneficial ownership), key elements of the bid evaluation process, and the award and its justification are not revealed. There is a lack of clarity on what information will be made public and through what method. Furthermore, the GCF's gift registry is not publicly reported.	4	2.0
The biggest areas of weakness relate to the absence of a provision for public access to information related to the post-procurement contracting phase or to financial asset reports of senior staff/Board members. Information that is in fact made available is not available in an appropriate open format, thus reducing its usability.	3	0.0
Maximum score possible (A)		9.0
Score achieved (B)		4.0
Percentage achieved (B/A)		44%



KEY PRINCIPLE 3: ACCOUNTABILITY

Minimum safeguards

Transparency International defines accountability as governments, individual officials, companies and their executives and agents being accountable for the execution of their duties and for decisions and actions taken in their area of responsibility.

Against the 10 minimum safeguards for accountability the GCF scores as follows:

MINIMUM SAFEGUARD		POINTS
1	The administrative and judicial processes are able to impose sanctions where it has been determined that fraud, bribery or collusion have taken place, to effectively deter corrupt practices.	0
2	The GCF ensures effective, proportionate and dissuasive sanctions, including monetary and criminal penalties (where available) against companies and individuals. Sanctions also include confiscation of illicitly gained profits and debarment from tendering for a particular period.	1
3	The GCF's policies require corporations and other legal persons to be liable for the corrupt acts of their employees.	1
4	Internal and external control and auditing bodies of the GCF function independently and effectively and the external reports are accessible to the public.	1
5	The GCF allows participation of civil society organisations as independent monitors overseeing all stages of the procurement process.	0.5
6	The GCF has a clearly identified procedure that addresses any conflicts of interest developed during the procurement process.	0
7	The GCF has robust, independent and effective appeals processes in place for aggrieved bidders that are accessible at any time during the procurement process. The appeals process is not overly complex, time-consuming or expensive and is capable of suspending the procurement until a judgement is made.	0
8	Whistle-blowing follows a process that allows full protection of whistle-blowers from all forms of retaliation.	0.5
9	The GCF has clear and robust systems that clearly monitor and assess the quality of goods/ services delivered.	1
10	In addition to registries, the GCF also has a system that identifies penalties in the case of failure to report gifts/benefits.	0

Scoring

Overall, of the total of 10 minimum safeguards under the accountability category, adequate policies exist for four of these. For two, the policies remain weak but can easily be improved. For the last four, the GCF does

not have a policy presently. In total, **the GCF scores 50% in relation to the accountability principle.**

Figure 5 shows a summary of the GCF's performance in relation to the principle of accountability.

FIGURE 5: SUMMARY OF THE GCF'S INSTITUTIONAL PROCUREMENT SAFEGUARDS AGAINST THE PRINCIPLE OF ACCOUNTABILITY

DESCRIPTION	# OF MINIMUM SAFEGUARDS FOR WHICH THIS RATING WAS ACHIEVED	POINTS
The performance of the GCF on accountability is also one of its weaker areas. The GCF policy establishes a clear message about imposing effective sanctions on organisations or individuals that are guilty of corrupt, fraudulent, coercive or collusive practices. It also has a process in place to assess the quality/performance of goods/services delivered. The GCF's policy has a clear requirement that its internal and external control and auditing bodies function independently and effectively.	4	4.0
While the disclosure policy allows public input on policies and strategies, there is no clarity on the role for civil society in internal procurement. The GCF does not yet provide a clear mechanism for whistle-blowing and protection of whistle-blowers although it has committed to doing so.	2	1.0
The GCF does not elaborate any internal or external processes to determine or impose sanctions where it determines that fraud, bribery or collusion have taken place. There is not yet a process or procedure in place to deal with instances of perceived or actual conflicts of interest arising during procurement and contracting processes. There is not yet a process or procedure in place for robust, independent and effective appeals processes for aggrieved bidders. No penalties apply for failure to comply with rules around reporting on gifts and benefits.	4	0.0
Maximum score possible (A)		10.0
Score achieved (B)		5.0
Percentage achieved (B/A)		50%



KEY PRINCIPLE 4: FAIRNESS AND EFFICIENCY

Minimum safeguards

Transparency International suggests that fairness and efficiency may be said to exist when public funds are not used for providing favours to specific individuals or companies; standards and specifications are non-discriminatory; and there is equal treatment of all bids. To ensure efficiency, procurement rules must be proportionate to the value and complexity of the items to be procured.

Against the 12 minimum safeguards for fairness and efficiency the GCF scores as follows:

MINIMUM SAFEGUARD		POINTS
1	The GCF ensures that any request for procurement has a clear justification to advance the interests of the GCF.	1
2	Contracts above a certain (low) threshold, which is clearly established in law or regulations, are subject to open competitive bidding. Exceptions to this are limited, with clear justifications documented and made publicly available.	0.5
3	The GCF does not allow any bidder any access to privileged information at any stage of the contracting process, and bidding opportunities are widely published.	1
4	The information is available through an open, centralised web portal to the extent possible. Information is also widely disseminated through alternative media.	1
5	Procurement officials of the GCF use standardised bidding documents (where relevant) and internationally accepted product standards across all levels.	0.5
6	The GCF has a clear process through which key information about each bidder is captured. This is through a bidder registration process where key information is collected.	0.5
7	The policy about fees for accessing bidding documents is clearly mentioned.	1
8	The GCF has a clear policy on allowing bidders sufficient time for bid preparation and pre-qualification, when applicable. A reasonable amount of time is allowed between publication of the contract award decision and the signing of the contract, in order to give an aggrieved competitor the opportunity to challenge the award decision.	1
9	The GCF undertakes efforts to simplify terms of reference for technically complex initiatives in order to not exclude any potential bidders due to perceptions of the complexity of the bid process.	1
10	The GCF makes public the key elements of the bid evaluation process.	1
11	The GCF has a very clear set of timelines for each procurement step.	0.5
12	The GCF has defined best value for money principles.	1

Scoring

Overall, of the total of 12 minimum safeguards under the fairness and efficiency category, adequate policies exist for eight of these. For four, they remain weak but can easily be improved. In total, **the GCF scores 83%**

in relation to the fairness and efficiency principle.

Figure 6 shows a summary of the GCF's performance in relation to the principle of fairness and efficiency.

FIGURE 6: SUMMARY OF THE GCF'S INSTITUTIONAL PROCUREMENT SAFEGUARDS AGAINST THE PRINCIPLE OF FAIRNESS AND EFFICIENCY

DESCRIPTION	# OF MINIMUM SAFEGUARDS FOR WHICH THIS RATING WAS ACHIEVED	POINTS
The GCF performs relatively well on this principle, with no red scores. The GCF has a clear policy requiring that procurement is necessary, appropriate and non-extravagant in nature and applies a best value for money procurement principle. Policies are in place which seek to ensure that bidders are treated equally throughout the bidding process, through equal access to information, exclusion of opportunities for favourable treatment, free access to bid documentation, attempts to simplify tender documentation, allocation of sufficient time frames to prepare and submit a bid, and clear communication of evaluation criteria. Greater efficiency is provided for through bidder registration processes.	8	8.0
However, there is scope for some improvement. Under the current policy, exceptions to competitive bidding are not clearly defined, nor are they required to be publicly communicated when applied. While the GCF's policy addresses standardised bidding documents, it does not cover internationally accepted product standards. The GCF sets out clear timelines for the bidding phase in its procurement policy but timelines for the other phases, including time periods between bid submission and opening, project start and completion, contract signing and implementation, are not set out.	4	2.0
-	0	0.0
Maximum score possible (A)		12.0
Score achieved (B)		10
Percentage achieved (B/A)		83%



KEY PRINCIPLE 5: PROFESSIONALISM

Minimum safeguards

Transparency International believes procurement should be professionalised and not treated as an administrative task. Sufficient resources ought to be allocated to procurement and auditing offices to attract highly qualified individuals and such individuals should have a clear career path.

Against the three minimum safeguards for professionalism the GCF scores as follows:

	MINIMUM SAFEGUARD	POINTS
1	The GCF ensures that procurement positions are adequately remunerated in order to attract well-qualified staff. Training and other avenues for career enhancement are also available.	1
2	Positions within the GCF are filled and duties assigned on the basis of abilities and talent, and not based on origin, family connection, political influence or other unrelated qualities.	1
3	The procurement department of the GCF has clear plans for providing capacity building opportunities to its staff.	0.5

Scoring

Overall, of the total of three minimum safeguards under the professionalism category, adequate policies exist for two of these. For one it is weak. In total, **GCF scores 83% in relation to the professionalism**

principle. Figure 7 shows a summary of the GCF's performance in relation to the principle of professionalism.

FIGURE 7: SUMMARY OF THE GCF'S INSTITUTIONAL PROCUREMENT SAFEGUARDS AGAINST THE PRINCIPLE OF PROFESSIONALISM

DESCRIPTION	# OF MINIMUM SAFEGUARDS FOR WHICH THIS RATING WAS ACHIEVED	POINTS
Only recently has the Board approved policies that adequately remunerate not just procurement staff but staff overall, to attract well-qualified staff. The GCF has strong rules requiring that positions be filled and duties assigned on the basis of abilities and talent, and not based on origin, family connection, political influence or other unrelated qualities.	2	2.0
It is not clear what provisions are in place for providing capacity building opportunities for procurement staff. The GCF has, however, confirmed that each unit has a training budget for training and short-term professional development.	1	0.5
-	0	0.0
Maximum score possible (A)		3.0
Score achieved (B)		2.5
Percentage achieved (B/A)		83%

5. CONCLUSION AND RECOMMENDATIONS

This section provides a final summary of the robustness of the GCF's institutional procurement vis-à-vis Transparency International's key principles for curbing corruption in public procurement and sets out recommendations for addressing the gaps that emerge. It is hoped that this summary will guide future work in further strengthening the GCF's policies, thereby reducing further corruption risks in climate finance procurement at the GCF Secretariat level, and as such setting the tone from the top.

CONCLUSION

Overall, the GCF seems to be on the right trajectory for developing policies that will address corruption challenges within its institutional procurement. There is, however, some distance to cover. This study has helped identify where the gaps exist at the policy level, therefore allowing for focused attention by the GCF as it works to put in place, revise and update its policies.

Figures 8 and 9 provide a quick comparison of scoring across the five principles. Figure 8 shows that the GCF procurement policies are strongest, alongside the fairness and professionalism principles. Integrity, transparency and accountability, however, have greater gaps.

FIGURE 8: WEIGHTED AVERAGE SCORE OF THE GCF'S PROCUREMENT SAFEGUARDS AGAINST EACH PRINCIPLE

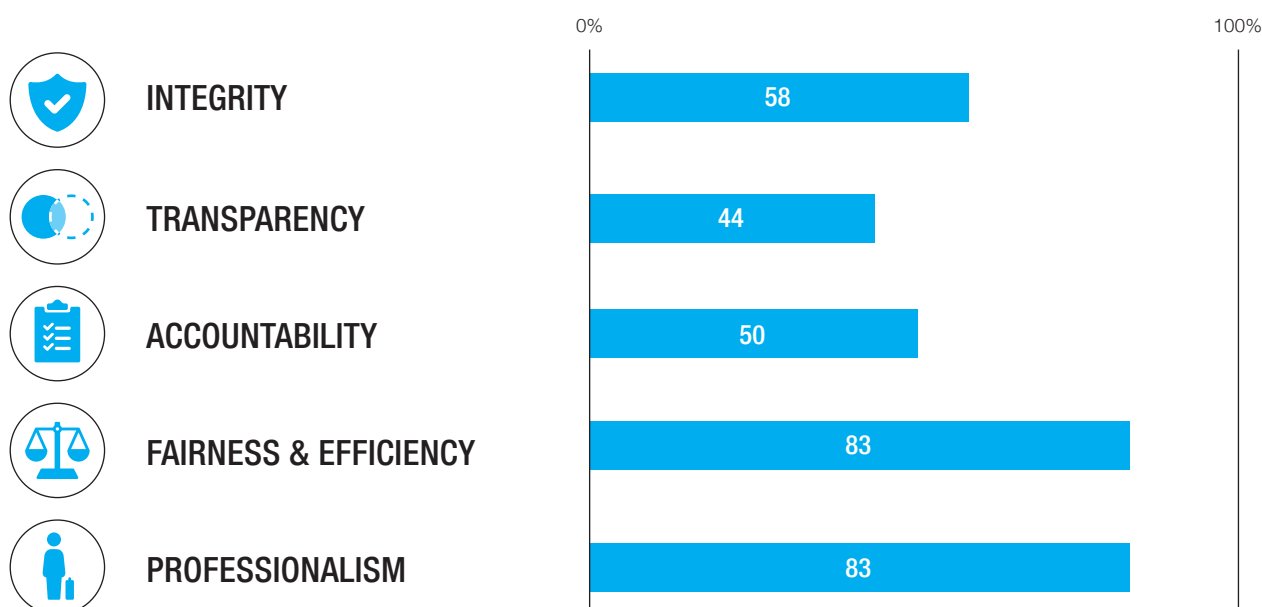
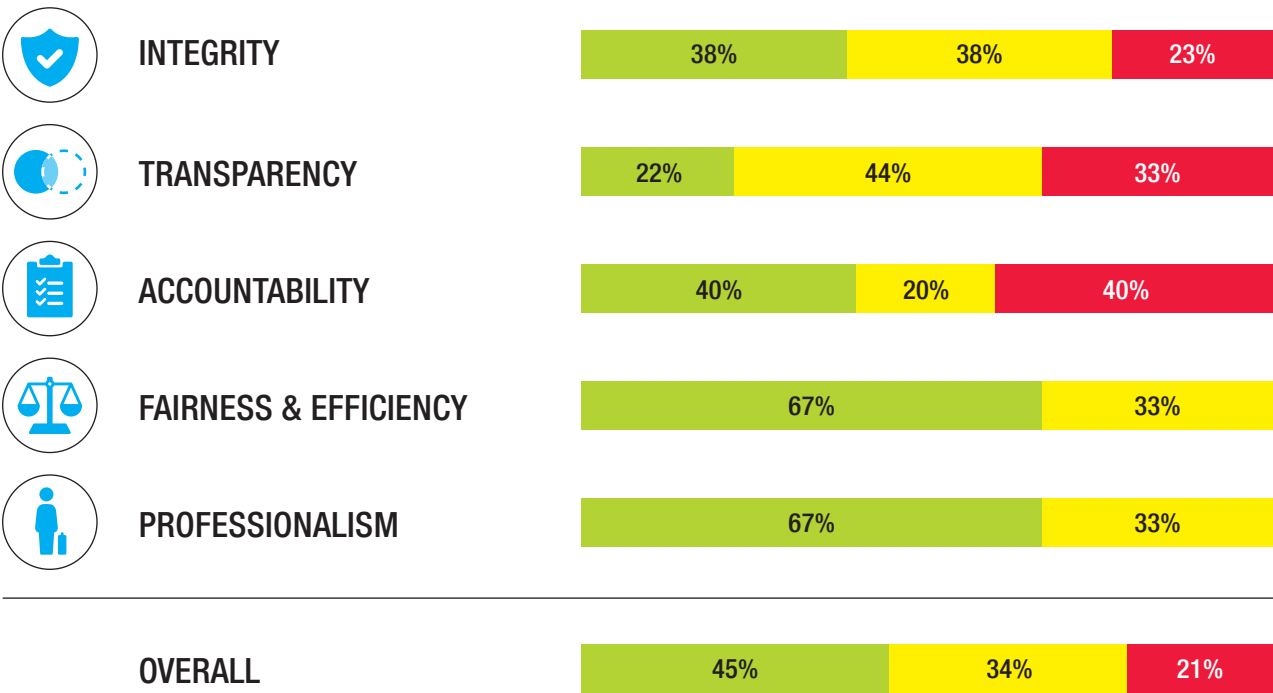


Figure 9 provides a more granular analysis. At first glance, it may seem that there are major gaps in relation to the principle of transparency, for which only 22% of policies are scored as being in place. However, at the same time, this is the easiest principle to address as it has the highest number of weak policies, at 44%,

meaning that existing policies can be updated to further strengthen them without too significant an effort. Greater effort will be required to address those aspects of the transparency and accountability principles for which no policies exist.

FIGURE 9: SYNTHESIS OF RESULTS ALONG EACH PRINCIPLE



* Percentages might not add up to 100% due to rounding

** See Figure 2 on page 9 for an explanation of the scoring

RECOMMENDATIONS

For each of the general principles assessed as being less than strong, specific recommendations have been developed. These are set out in detail alongside the assessment provided in the annex. Many of the recommendations made can be implemented quite quickly and without great difficulty through amendments to existing policies, many of which are undergoing updates at the moment. In this section are set out some of the recommendations that will require more effort to address but which, if addressed, would be game-changers for the openness and accountability of GCF procurement. Recommendations largely address the principles of transparency and accountability, where the greatest gaps emerged.

Integrity

Recommendation 1: The GCF Secretariat should actively engage with the Independent Integrity Unit and other expert stakeholders to ensure that risks arising from procurement staff staying in position over extended periods of time are mitigated.

Integrity in procurement can best be assured when procurement officials do not stay in place over an extended period. Long-term relationships between potential bidders and staff members create a particularly advantageous environment for bribery, as corruption is built on trust and reciprocity. Staff rotation can prevent such long-term relationships being built in the first place. This increases uncertainty about the other person's behaviour and thus reduces the temptation to engage in unethical conduct. The GCF's failure to address this challenge through provision for the rotation of staff serving in sensitive positions or another method which respects staff rights and competencies but at the same time reduces scope for misbehaviour must be addressed. Mitigation measures that work best in the GCF context should be proactively sought out and implemented.

Recommendation 2: The GCF should ensure that new staff inductions require ethics training, preferably with certification. It should also provide "refresher" training on a regular basis, and should ensure that training on new policies or developments is provided.

Firstly, it is important that new staff are clear on, and have a strong understanding of, the ethical standards expected of them, as well as being aware of the sanctions that can be applied should they contravene these standards. In addition, however, it is important that GCF procurement staff are aware of the techniques and actors involved in corruption in procurement, to facilitate the detection of misconduct. As such, these individuals should undergo specialised training on a regular basis to inform them about corrupt techniques used in the area of procurement. Given the constantly changing face of corruption, these training sessions should be updated and carried out at regular intervals.

Transparency

Recommendation 3: The GCF should revise its disclosure policies to allow for proactive sharing of open data across the whole procurement cycle. This includes proactive disclosure of: activities carried out prior to initiating the procurement process; key elements of all bids (such as bidder identity, beneficial ownership); key elements of the bid evaluation process; the award and its justification; contracts; contract amendments; implementation; evaluation; oversight; and auditor's reports. It should further ensure a clear policy on redactions favouring the public interest.

Providing for access to core information along the whole procurement process is essential to allow for engagement by a range of stakeholders to hold the GCF to account for its procurement spending. Engaging with contractors, civil society organisations and citizens can provide the GCF with much-needed feedback about the performance of contracts, as well as instilling confidence in potential bidders that irregularities will be addressed. The GCF's weakness in terms of providing extremely limited access to information at the contract phase and some information in the tendering phase must be addressed.

Recommendation 4: The GCF should adopt a policy to ensure that information is prepared and shared in an easily accessible and user-friendly format. It should further adopt guidelines and processes to enable the Secretariat to publish documents and data on its contracting in a non-proprietary, searchable, sortable, platform-independent and machine-readable open form, such as through the Open Contracting Data Standard.

In order to analyse large amounts of data related to public procurement, digital information should be published in widely used formats that are non-proprietary, searchable, sortable, platform-independent and machine-readable. As the GCF grows, the number of contracts will as well and it will not be possible to individually analyse these in the existing formats. Having more and better quality contracting data will improve the GCF's systems in the long run and will save money. In taking this step, the GCF itself will also be setting an example and demonstrating the benefits for GCF recipient entities.

Recommendation 5: The GCF should actively publish financial asset reports for senior managers and executive-level decision-makers.

The GCF does have rules in place for such declarations to be made internally but they are not publicly revealed. This is a good initial step in terms of taking precautions against conflicts of interest, collusion and corruption and promoting integrity. However, as set out in the recommendations above, making such information public can ensure that a wider range of stakeholders can actively work to identify and raise weaknesses in the system, thus supplementing the GCF's limited capacity and building further trust in the GCF.

Recommendation 6: The GCF should disclose its gift registry and report on the status at Board meetings.

Regarding financial assets, many common conflict of interest situations are related to personal, family or business interests and activities and receipt of gifts and hospitality. While the GCF does proactively maintain a register of gifts, this information is maintained internally and is not open to public scrutiny. Again, making such information public can ensure that a wider range of stakeholders can actively work to identify and raise weaknesses in the system, thus supplementing the GCF's limited capacity and building further trust in the GCF.

Accountability

Recommendation 7: The GCF should adopt, or publicly explain an existing, procedural process whereby it may impose sanctions on its consultants if it determines that fraud, bribery or collusion has taken place, to effectively deter corrupt practices.

Although comprehensive and proportionate policies on sanctions for corrupt behaviour are in place, it is equally critical that there is clarity around the process by which such sanctions can be triggered. A sanctions process without teeth will have no deterrent effect and will perversely work to reduce trust in the GCF's commitment to aggressively root out and tackle corruption among its suppliers, vendors and contractors.

Recommendation 8: The GCF should clarify whether the observer role in its Institutional Procurement Committee includes civil society or not. In addition, the GCF should develop or elaborate its policy in regard to opening a space for civil society to monitor and oversee its procurement processes.

Civil society can play an important key role in monitoring the procurement processes, providing expertise and acting as an independent voice to raise issues and difficult questions. Civil society participation increases transparency by engaging the public more fully in the procurement process and providing information about different aspects of procurement. Monitors can enhance accountability by identifying corrupt actors and seeking sanctions against them. Finally, they support fairness and efficiency by identifying irregularities in the procurement process and independently investigating them.

Recommendation 9: The GCF should adopt a formal process or procedure to deal with instances of perceived or actual conflicts of interest which arise during procurement and contracting processes. In the meantime, it should explain what interim processes are being applied.

The Board is in the process of operationalising its Independent Integrity Unit, which has jurisdiction over conflict of interest cases. However, a bespoke policy on how to investigate and resolve such cases is wanting. Trust in the system by prospective bidders and by the public can only be maintained if there is clarity around how the GCF will proactively and efficiently deal with conflicts of interest.

Recommendation 10: The GCF should adopt a robust, independent and effective appeals process for aggrieved bidders which is accessible at any time during the procurement process. The appeals process should not be overly complex, time-consuming or expensive, and should be capable of suspending the procurement until a judgement is made. Preventative mechanisms, such as bidder feedback mechanisms, should also be considered.

In order to ensure continued confidence on the part of bidders, and therewith high competition and value for money, the GCF must take measures to proactively engage with bidders. Paramount among these is putting in place an effective appeals process. In addition, more informal feedback channels for bidders should be considered. This would allow them to express their concerns to the GCF on poor practices and processes or issues encountered in participating in procurement procedures, and to make suggestions for improvement.

Recommendation 11: In its whistle-blower policy, which is currently under development, the GCF must ensure that there is adequate protection for whistle-blowers, to protect them from all forms of retaliation.

The GCF's commitment to whistle-blower protection must be matched with a strong policy framework clarifying the scope of application, protections and procedures that can be relied on by a prospective whistle-blower. Without adequate provisions around protection from retaliation, a statement of strong commitment to whistle-blower protection will not translate into results.

Fairness and efficiency




Recommendation 12: The GCF should ensure that all exceptions to the rules on open competitive bidding are closely documented and publicly available.


This is particularly urgent in cases where competitive bidding does not take place for "other reasons deemed appropriate and necessary". Without transparency, this clause has the potential for abuse as it concentrates discretion in the hands of one individual.

Recommendation 13: The GCF should ensure disclosure of procurement information in a non-proprietary, searchable, sortable, platform-independent and machine-readable open data format, such as through the Open Contracting Data Standard.


Disclosure of bidding opportunities and encouraging competition will be significantly improved by a policy of sharing procurement information in a non-proprietary, searchable, sortable, platform-independent and machine-readable open data format, such as through the Open Contracting Data Standard.

ANNEX – DETAILED ANALYSIS

INTEGRITY			
Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
1. Implementation of a code of conduct that commits the contracting authority and its employees to a strict anti-corruption policy.	Does the GCF's policy provide for a code of conduct that includes a strong anti-corruption commitment by GCF staff? Does the GCF's policy require that staff uphold integrity and ethical behaviour, including an obligation to abstain from collusion, giving or accepting bribes? If so, who is included?	<p> Average</p> <p>No explicit anti-corruption obligations exist.</p> <p>The administrative policies of the GCF (GCF/BM-2014/01), Appendix I: Code of Conduct of the Fund's Staff (page 11) provide the following: "In the discharge of their functions, staff members owe their duty entirely to the Fund and to no other authority, and must avoid any action, and in particular any kind of pronouncement, which may reflect unfavourably upon their position as employees of an international organization, either in their own country or elsewhere. They should always bear in mind the reserve and tact incumbent upon them by reason of their international function, and exercise the utmost discretion with regard to official business matters."</p> <p>While this may be interpreted to cover anti-corruption obligations, best practice would be to clearly articulate this.</p>	The staff code of conduct should clearly spell out staff obligations to prevent and avoid prohibited practices, as delineated in the GCF's General Principles on Prohibited Practices (GCF/B.11/18: 18) October 2015, and including harassment, as required in the ethics and conflict of interest policy for Board members and others.
2. Conduct regular trainings with employees to ensure a smooth translation of the code of conduct into action.	Does the GCF carry out any monitoring/regular training with the staff to complement the code of conduct?	<p> Weak</p> <p>No policy on this point could be found.</p>	The GCF's institutional operational policy should ensure that new staff inductions require ethics training, preferably with certification. It should also ensure that "refresher" training be provided on a regular basis and that training on new policies or developments is provided for.
3. Administrative processes and decisions should be characterised by a strong commitment to compliance with rules. The rules should allow limited scope for discretionary decision-making.	Is the GCF's Secretariat guided by principles or operational guidelines relating to transparent and rule-compliant decision-making?	<p> Weak</p> <p>No policy on this point could be found.</p>	The GCF should clarify or provide guidance that its Secretariat is bound by principles or operational guidelines relating to transparent and rule-compliant decision-making.


INTEGRITY			
Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
4. An organisational commitment to integrity and ethical behaviour.	<i>Are there any clear vision/ mandate-level statements that demonstrate zero tolerance of corruption?</i>	<p> Strong</p> <p>The GCF provides a wide range of policies which commit GCF actors to the highest standards of ethical behaviour and integrity, and to avoiding prohibited practices.</p> <p>The Independent Integrity Unit is mandated in paragraph 68 of the GCF's Governing Instrument and was established at the Board's Fourth meeting in 2013 (GCF/B.04/17: DECISION B.04/09(f)). The Unit's terms of reference (GCF/B.06/18: DECISION B.06/09(b)) state that the Unit is "to work with the Secretariat and report to Ethics and Audit Committee and to the Board, to investigate allegations of fraud and corruption and other prohibited practices (coercive and collusive practices, abuse, conflict of interest and retaliation against whistle-blowers) in line with best international practices and in close coordination or cooperation with relevant counterpart authorities."</p> <p>Pursuant to these decisions, the GCF's Board has adopted a number of integrity policies establishing the GCF's values and principles. These include the Administrative Guidelines on Human Resources (GCF/ B.08/17), the Policy on Ethics and Conflicts of Interest for the Board of the Green Climate Fund (GCF/ B.09/03), the Policy on Ethics and Conflicts of Interest for External Members of the Green Climate Fund Panels and Groups (GCF/ B.10/13), and the Policy on Ethics and Conflicts of Interest for the Executive Director of the Green Climate Fund (GCF/ B.10/13), and the General Principles to Prevent Prohibited Practices, and the Policy on Ethics and Conflicts of Interest for Board Appointed Officials (GCF/B.13/32/Rev.01).</p> <p>In addition, at its 12th meeting, the Board adopted the Accreditation Master Agreement Template as a basis to establish contractual relationships with accredited entities. In that context, the Board decided "to adopt the General Principles on Prohibited Practices, as the Fund's interim policy on prohibited practices to be observed by accredited entities, and readiness partners" (GCF/B.12/32). In calls for tenders, it appears that bidders need to meet the standards set out in the interim policy. However, the procurement guidelines have not been updated to reflect this practice: in other words, to stipulate that the interim policy applies regarding procurement procedures and contracts. The Section C 1.6 states: "1.6 The Integrity Principles and Guidelines of the Fund, as well as the Fund's Anti-Corruption Policy, will apply to all contracts for services." However, paragraph 2 of the introduction to the Guidelines states that such policies are still to be developed.</p> <p>At its 15th meeting, the GCF Board approved the 2017 Work Plan of the Independent Integrity Unit, which included the development of policies on prohibited practices and sanctions, and a whistle-blower protection policy (GCF/B.15/24: DECISION B.15/13; GCF/B.15/20). These are anticipated to be adopted at the Board's 18th meeting in late 2017.</p>	The GCF should follow through on its commitments to adopt overarching, comprehensive policies on anti-corruption which ensure coherence across its existing policies. The GCF should also explain clearly in its procurement guidelines the integrity policies which apply regarding procurement criteria, standards, procedures and contracts.


INTEGRITY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
5. Clear restrictions and reporting rules on the solicitation, giving and receiving of unsolicited gifts and entertainment (which could be perceived as exerting undue influence).	Does the GCF's policy permit the GCF members to accept or solicit gifts personally or on behalf of the GCF? Are such persons required to report and/or surrender these gifts?	<p> Strong</p> <p>1. Staff</p> <p>Administrative Guidelines on Procurement (GCF/B.08/31), Appendix 5 (page 41) Guidelines: "Fund staff, including senior management, or their immediate family members as well as Fund consultants are prohibited from accepting gifts, benefits, favours, medals, decorations or similar honour from sources external to the Fund with respect to any Fund transaction. HOWEVER, Fund staff or their immediate family members may accept such gifts, benefits, favour, medals, decorations or similar honour, when they find themselves in situations or circumstances that make it difficult to refuse or decline."</p> <p>Procedure:</p> <p>a) Benefits or favour (<i>invitations or gift vouchers for free meals, hotel accommodations, club membership, vacation, travel, rebates or specials, exclusive privileges and the like</i>) Prepare a memorandum declaring particulars, sponsoring entity, contact details, sponsor's interest of whatever nature in any Fund-financed activity, circumstances that make it difficult to refuse the benefit, favour or invitation. Submit to Appropriate Director/Executive Director (ED).</p> <p>b) Gifts (<i>works of art such as paintings, sculptures, murals, national costumes, tapestries and collectors' items; souvenirs and consumable items that deteriorate as a result of use (wines, liquors, beverages and other perishable food stuff)</i>): Complete and sign a 'Gifts and Souvenirs Report' and declare relevant information. This should be submitted to the Procurement Specialist. Consumables: Return items to the recipient, or dispose items by other means as the Head of Administrative Operations may deem appropriate. Non-consumables: Using the most appropriate and practicable means available, the Procurement Specialist (PS) shall assess the approximate market value of all gifts submitted. Gifts worth less than US\$ 50 returned to concerned division which may decide appropriate means of disposal (return to recipient/raffle). Gifts worth more than US\$ 50 shall be auctioned amongst staff. Proceeds of auction donated to charity chosen by fund. Works of art that cannot be valued (paintings, sculptures, murals, national costumes, tapestries and collectors' items) shall be registered as Fund property.</p>	No recommendation suggested.

INTEGRITY			
Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<i>Refer to previous page</i>	<i>Refer to previous page</i>	<p>c) Recognitions (<i>honorific titles represented by medals, awards, decorations, citations or similar items/honour given in recognition of work done by the Fund/staff</i>): Submit a written statement detailing particulars, together with the item received (if any), through the Procurement Specialist (PS) to the ED, who will resolve the issue and decide on the matter. Recognitions classified as (a) items given to staff with the name of a particular staff and/or division inscribed: PS shall return the item to the concerned division, which may decide to display the item, (b) items given to the Fund as an institution with the Fund's name inscribed on them: PS shall register these recognition items as Fund property and display them, (c) items without inscription: PS shall register these recognition items as Fund property and display them.</p> <p>2. Board-appointed officials Policy on Ethics and Conflict of Interest for Board Appointed Officials (GCF/B.12/21) (page 2)</p> <p>"To further maintain their independence these Board-appointed officials cannot receive any honours, decorations or favours from any government, or from any other authority or person external to the GCF in connection with services rendered during her/his term of office with the GCF without authorisation from the Board."</p> <p>3. Board members, alternates and advisors (covered individuals) Policy on Ethics and Conflict of Interest for Board-Appointed Officials (GCF/b. 13/21) (Page 9)</p> <p>All covered individuals and their immediate family members "may accept unsolicited gifts from one source or provide gifts to one person or entity if the gifts have an aggregate value of US\$ 50 or less, provided that the aggregate value of individual gifts received from or provided to any one person does not exceed US\$ 100 in a calendar year. All such gifts should be reported to the Ethics and Audit Committee."</p> <p>Similar to staff, a covered individual may accept unsolicited gifts on behalf of the Fund when refusal to do so would embarrass the gift provider or the Fund or otherwise not be in the interest of the Fund, such as when a refusal to accept would be considered impolite. Except when impractical (such as in the case of meals), gifts accepted on behalf of the Fund will be turned over to the Secretariat and handled under procedures as defined in the Fund's corporate procurement policy.</p>	<i>Refer to previous page</i>



INTEGRITY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<p>6. Staff responsible for the planning phase should be separate from those working on the other phases of procurement, and, as far as possible, staff involved in the evaluation of contract implementation should be separate from those involved in other phases.</p> <p>However, one official should be responsible for overseeing the whole process.</p>	<p><i>Does the GCF's policy separate, as far as possible, the staff involved in the procurement procedure (planning, bidding, evaluation, contracting) from those involved in managing the project/initiative?</i></p>	<p> Average</p> <p>Policies identify the role of the procurement team and project team but do not provide for separate engagement during the process. The GCF has acknowledged that the current guidelines are unclear and has committed to improving this in its revised guidelines.</p> <p>Administrative Guidelines on Procurement (GCF/B.08/31) Annex II, Section B (pages 3, 19 and 21)</p> <p>Responsibility: "The operational divisions are responsible for the selection, engagement, supervision and evaluation of consultants. For procurement involving large and/or complex contracts, the user division will recommend experts from among the Fund staff to help prepare the bidding documents and evaluate the bids. However, if the expertise required is not available within the Fund, the Procurement Specialist (PS), in consultation with the user division, will engage service contractors as necessary."</p> <p>Requisition procedure (page 19):</p> <p>2.1 Each of the Fund's divisions will designate a staff member to act as the procurement focal point who will request procurement of goods and/or services, with the approval of the Division Director. Their role is intended to provide administrative efficiency but they are not actively involved in the procurement process.</p> <p>2.2 An approved requisition will be the basis for preparing a Request for Purchase (RP) that the user division submits to the Procurement Specialist (PS). The RP will, in turn, be the basis for the PS to initiate procurement action.</p> <p>2.3 Requests for non-routine supplies will be submitted to the PS for procurement, subject to the approval levels. Requests for routine supplies and supplies under long-term agreements (LTAs) will be submitted directly to the PS, as appropriate.</p> <p>2.4 A Division Director will endorse requests for non-routine goods and/or services and provide sufficient justification that explains the need for and/or operational function of the goods and/or services requested. User divisions should plan to purchase such goods and/or services as far in advance as possible and include them in their respective budget.</p> <p>2.5 To ensure proper identification of the type and scope of goods and/or services required, the procurement focal point of the user division will submit the following documents to the PS: (a) Memorandum-requisition approved by the Director of the user division; (b) Budget code; (c) Specification of the goods and/or services, with details of the goods and/or services to be procured, desired quality of the goods, standard or level of service to be attained and performance measurement or monitoring systems to be used for assessing attainment of performance or quality standards; and (d) Cost estimates.</p>	<p>The GCF's procurement guidelines should clearly state that staff involved in the evaluation of contract implementation should be separate from those involved in other phases.</p>

INTEGRITY			
Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<i>Refer to previous page</i>	<i>Refer to previous page</i>	<p>2.6 The PS will review the request for goods and/or services and provide a timetable for sourcing and processing of the request.”</p> <p>Open international competitive bidding (page 21):</p> <p>“Public competitive bidding is the preferred method of procurement. Competitive bidding may be referred to as a Request for Proposal (RFP) process. The PS, in consultation with the user division, shall prepare the bidding documents and formulate the bid evaluation methodology to be adopted, including evaluation criteria and evaluation framework, and submit them for approval to the appropriate approving authority. In formulating bid evaluation methodology, contracts for goods and/or services that warrant greater attention to contractor’s technical capability, such as contracts for services of a professional nature, shall be duly considered. In evaluating these contracts, technical considerations and other objective factors may weigh as much as the price.”</p>	<i>Refer to previous page</i>
<p>7. A clear, and well-defined conflict of interest policy, along with a clearly laid out response/management plan.</p>	<p><i>What is the GCF’s policy on conflicts of interest?</i></p> <p><i>How clearly is it conveyed to the staff/Board members?</i></p>	<p> Strong</p> <p>Policies are in place which include staff, Board-appointed officials, and the Board itself.</p> <p>1. Staff</p> <p>Administrative Guidelines on Procurement (GCF/B.08/31), Annex II, Section D (page 4) Definition: “A situation in which a party has interests that could improperly influence the activities of the Fund and the policy decisions of the Board, as well as that party’s performance of official duties or responsibilities, contractual obligations or compliance with applicable laws and regulations.”</p> <p>Consequences: “The Fund will take appropriate actions to manage such conflicts of interest or may reject a proposal for award if it determines that a conflict of interest has compromised the integrity of any consultant selection process.”</p> <p>Clear policy on a) Conflict between consulting activities and procurement of goods, works or services, b) Conflict among consulting assignments, c) Relationship with Fund staff.</p> <p>2. Board-appointed officials Policies on Ethics and Conflict of Interest for other Board Appointed Officials and Active Observers (GCF/B.13/21) (page 7)</p>	

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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<i>Refer to previous page</i>	<i>Refer to previous page</i>	<p>The policy makes provisions for conflict of interest situations. The Board appointed officials in performance of their duties are under an obligation to disclose all actual or potential conflicts of interest as soon as they arise and avoid participating in decision-making or deliberations in relation to matters where conflicts arise. The heads of the IRM and the IEU are under an obligation to make disclosure of all conflicts of interest to the Independent Integrity Unit (IIU), and in case the head of the IIU themselves are concerned to the Ethics and Audit Committee. The IIU and/or the Ethics and Audit Committee where relevant, will subsequently give guidance on whether such a conflict arises and how to manage such conflicts of interest.</p> <p>3. Board members, alternates and advisors (covered individuals) Policy on Ethics and Conflict of Interest for the Board (GCF/B.09/16) Section VI (page 7)</p> <p>A conflict of interest arises when a Member has an interest, which may include but is not limited to a financial interest that could, or reasonably could be deemed to, improperly influence the performance of his or her official duties or responsibilities as Board Member or Adviser, as the case may be. In general, and without limitation, conflicts of interest may be deemed to exist in the following situations: (a) Where a Covered Individual's interests, or the interests of an Immediate Family Member or Associated Institution could affect the conduct of his or her duties and responsibilities with respect to the Fund or result in a reasonable perception that a conflict of interest exists; and (b) Where the Covered Individual's actions create the perception that the Covered Individual is using his or her position at the Fund for the benefit of an Immediate Family Member or an Associated Institution.</p> <p>Having a conflict of interest does not necessarily mean that the Covered Individual concerned can no longer participate in deliberations or decision-making. The primary requirement arising from a conflict of interest or a reasonable appearance thereof is immediate disclosure to the Ethics and Audit Committee. Subsequently, the Ethics and Audit Committee shall promptly review and deal with the disclosed conflict of interest or appearance thereof.</p>	<i>Refer to previous page</i>

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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
8. Key decisions should be made using additional mechanisms, such as evaluation committees, at crucial decision-making junctures.	<i>Does the GCF's policy require that key decisions be made using committees, such as evaluation committees, at crucial decision-making junctures?</i>	<p> Strong</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31), Appendix I, Section 3 (Page 20)</p> <p>Trigger: Institutional Procurement Committee (IPC) established to evaluate procurement with estimated value above US\$ 500,000 for the Fund Headquarters.</p> <p>Responsibilities: Conducting pre- or post-qualification review of bidders, bid opening, bid evaluation and negotiations in the procurement of goods and/or services of a specified value and recommending the award of contract to the Executive Director for approval. The IPC may issue additional regulations from time to time to carry out its functions more effectively.</p> <p>Members: Chief Finance Officer/Director of Support Services (Chairperson), Procurement Specialist (Secretary), Director, or designated officer from the user division (Member), Head Administrative Operations (Member), Independent members or observers, upon endorsement of the Chairperson, IPC, and approval of the Executive Director) (Member/Observer).</p> <p>Declaration: Each of the members must file a written affidavit statement on first working day of each year disclosing any actual and/or potential conflict or conflicts of interest in the institutional procurement of goods and/or services planned or anticipated for the year.</p>	No recommendation suggested.
9. Staff in sensitive positions need to be rotated regularly (time frame pre-determined).	<i>Does the GCF's policy require that staff in sensitive positions are rotated regularly?</i>	<p> Weak</p> <p>No provisions could be identified regarding the rotation of staff serving in sensitive positions. Feedback from the GCF challenged the feasibility of such rotation but accepted the critique and noted that increased internal oversight might be required to address the issue in question.</p>	The Secretariat's administrative or operational guidelines should identify "sensitive staff positions" and adopt an appropriate policy which respects staff rights and competencies but at the same time reduces the scope for misbehaviour.


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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<p>10. A policy for private sector bidders should include codes of conduct for executives and employees that outline commitments to integrity and ethical behaviour and to abstain from corrupt conduct, and should also address issues of political donations, donations for charitable purposes and the sponsoring of government functions.</p>	<p><i>Does the GCF's policy require that bidders have codes of conduct for executives and employees that outline commitments to integrity and ethical behaviour, and to abstain from corrupt conduct; and that addresses issues of political donations, donations for charitable purposes, and sponsoring of government functions?</i></p>	<p>● Average</p> <p>The GCF's procurement guidelines do not require that private sector bidders have a code of conduct in place. However, in practice, the GCF does require that bidders declare any conflict of interest from the bidding stage and also explain their internal conflict of interest policy which would deal with such conflicts. (See general tender descriptions on the GCF's webpage). In the bidding and post-bidding phases, the GCF does require that all bidders comply with its General Principles on Prohibited Practices, which comprehensively outline a range of activities from which the bidders are required to abstain. (See GCF/B.12/32, from page 18).</p> <p>There is no policy which specifically addresses requirements around transparency and accountability with respect to political donations, donations for charitable purposes and the sponsoring of government functions. To the extent that the GCF's procurement processes seek to procure entities or individuals to provide services directly in GCF target countries, this can be an issue of relevance. This is particularly the case when applicants are encouraged to engage or cooperate with local partners: for example, GCF/EOI/2016/002 (Ad-Hoc Support: Funding Proposal development on an "On Call" Basis) and RFT 2016/015 (technical advisory services to GCF NDAs/ focal points for their country programming and related processes). In such cases, political donations or event sponsorships could give rise to a real or perceived conflict of interest situation.</p>	<p>The GCF should clarify whether its practice to obligate bidders to comply with its anti-corruption policies during the bidding phases is part of the GCF's written policies and guidelines.</p> <p>Bearing in mind the need to balance the integrity of bidders with the need to ensure a broad range of participation in procurement processes for maximum value for money, the GCF should consider further actions that can be taken to incentivise good behaviour and best practices on the part of GCF bidders, as well as to increase awareness of the GCF regarding the political connections of companies active in the delivery of goods and services on the ground.</p> <p>It is acknowledged that such contracts make up a minority of the GCF procurements. However, given the potential impact of such conflicts of interest on the products delivered, this deserves attention.</p>

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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<p>11. All contracts between the procuring agency and its contractors, suppliers and service providers should require that the parties comply with strict anti-corruption policies.</p>	<p><i>Does the GCF's policy require that all contracts between the GCF and the procuring agency and its contractors, suppliers and service providers comply with strict anti-corruption policies?</i></p>	<p> Average</p> <p>Neither the General Principles on Prohibited Practices discussed above nor the Administrative Guidelines on Procurement require that contracts between procuring agencies and their contractors, suppliers and service providers comply with strict anti-corruption policies.</p> <p><i>However, the general principles do require that procuring agencies "prevent Prohibited Practices from occurring in relation to a Fund-related Activity, including adopting, implementing, and enforcing appropriate fiduciary and administrative practices and institutional arrangements to ensure that the Fund proceeds in the form of a grant, loan, contract award, or other forms of financing or support are used only for the purposes for which such financing or support was granted." (GCF/B.12/32L IV(6)(c))</i></p> <p>in addition, in the Administrative Guidelines on Procurement (GCF/B. 08/31) Annex II, Section B (page 3) two of the eight points refer to this: "(g) need for increasing focus on anticorruption and observance of ethics; and (h) avoidance of conflict of interest of consultants and adverse impacts on the Fund's credibility."</p>	<p>The GCF should clarify or ensure that, in addition to its General Principles on Prohibited Practices, procuring agencies are obligated to ensure in their sub-contracting arrangements that anti-corruption standards are provided.</p>
<p>12. Contract change orders that alter the price or description of work beyond a cumulative threshold should be monitored and approved at a high level.</p>	<p><i>Does the GCF's policy require that contract change orders that alter the price or description of work beyond a cumulative threshold (for example, 15 per cent of the contract value) be monitored and approved by senior management/ evaluation committee?</i></p>	<p> Average</p> <p>There is a reference at the proposal stage – if budgets are higher than the original estimate, scaling down the scope or increasing the budget will be considered. There is no mention of changes for projects 'in-contract'.</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) Annex II, Part II (page 9) "Rejection of All Proposals and Re-invitation: The Fund reserves the right to reject all proposals if they are non-responsive because they present major deficiencies in complying with the TOR, or if they involve costs substantially higher than the original estimate. In the latter case, the feasibility of increasing the budget, or scaling down the scope of the services with the firm, should be considered. The new process may include revising the RFP (including the shortlist) and the budget; or the Fund may cancel the consultancy altogether."</p>	<p>The procurement guidelines should ensure that contract change orders that alter the price or the description of work beyond a cumulative threshold should be monitored and approved at a high level.</p>

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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
13. There should be strict policies against collusion that may allow for access to privileged information to from the procuring agency to its contractors, suppliers and service providers.	<i>Does the GCF's policy forbid that bidders collude or otherwise engage in corrupt practices to unfairly influence a procurement decision? This includes a policy which disallows giving access to privileged information at any stage of the contracting process.</i>	<p> Strong</p> <p>Administrative Guidelines on Procurement (GCF/B.08/31) Annex II, Part I (page 5)</p> <p>“Fraud and Corruption: The Fund requires that consultants observe the highest standard of ethics during the selection process and in execution of such contracts. In pursuance of this policy, and in the context of these guidelines, the Fund defines, for the purposes of this provision, the terms set forth below as follows: (i) ‘Corrupt Practice’ means the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party; (ii) ‘Fraudulent Practice’ means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation; (iii) ‘Coercive Practice’ means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; and (iv) ‘Collusive Practice’ means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.</p> <p>The Fund “will reject a proposal for an award if it determines that the consultant recommended for the award has directly, or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question; and will sanction a firm or individual, at any time, including declaring ineligible, either indefinitely or for a stated period of time, such consulting firm, individual or successor from participation in Fund-financed activities, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or other prohibited practices.</p> <p>Fund contract documents shall include an undertaking by the consultants that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received or promised in connection with the consultant selection process or in contract execution.”</p>	No recommendation suggested.


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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<p>1. The GCF should make public the following information, except when information is legally protected, such as for reasons of national security or protection of intellectual property or other confidential information:</p> <p>Activities carried out prior to initiating the contracting process, such as needs assessment, the development of a procurement plan and budget allocation, procurement budgets and plans, tender opportunities, technical specifications, selection criteria, and the key elements of all bids in a public tender opening event. The key elements include bidder identity, beneficial ownership for corporate bidders and information responsive to the evaluative criteria, the key elements of the bid evaluation process, and the award decision and its justification.</p>	<p><i>Does the policy require (except when information is legally protected) to make publicly available the following information related to the bidding process:</i></p> <p><i>Activities carried out prior to initiating the procurement process,</i></p> <p><i>procurement budgets and plans, tender opportunities, technical specifications, selection criteria, key elements of all bids in a public tender opening event (such as bidder identity, beneficial ownership), key elements of the bid evaluation process award and its justification</i></p>	<p>● Average</p> <p>Information Disclosure Policy (GCF/B.13/04) (page 6-7)</p> <p>The policy lays out procedures for accessing information. The policy states that the GCF website is the main source of disclosure, where the GCF routinely publishes a wide range of information and documents. It also provides that non-disclosed information may be disclosed on request. However, while the policy refers to numerous examples of documents which should be disclosed, there is no reference to procurement-related information, including the documentation relating to activities carried out prior to initiating the contracting process.</p> <p>The existing procurement guidelines also do not elaborate on what documentation should or should not be disclosed.</p> <p>Update to Administrative Guidelines on Corporate Procurement (GCF/B.11/20) (Page 26). In practice, the GCF does disclose tenders in .pdf or Word format (including tender specifications and selection criteria), amendments to tenders and clarifications on its website. This, however, only applies to those procedures that are open for public competitive bidding. This relates to tenders of expected value in excess of US\$150,001. It also seems to include expressions of interest for pre-selection to compete in procurements of value US\$50,001 to US\$ 150,000.</p> <p>However, no evidence of the following could be found on the GCF website or other publicly available sources:</p> <ul style="list-style-type: none"> • procurement plans • budget • key elements of all bids in a public tender opening event • key elements of the bid evaluation process • award decisions and their justification 	<p>The GCF should amend its policy to provide for the proactive disclosure of: activities carried out prior to initiating the procurement process,</p> <p>procurement budgets and plans when the tender is made under a fixed budget,</p> <p>key elements of all bids in a public tender opening event (such as bidder identity, beneficial ownership),</p> <p>key elements of the bid evaluation process, and the award and its justification.</p>


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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<p>2. The GCF should make public the following information, except when information is legally protected, such as for reasons of national security or protection of intellectual property or other confidential information:</p> <p>The contract and any amendments (including significant change orders), implementation, evaluation, oversight and auditors' reports, dispute-settlement mechanisms and procedures.</p>	<p><i>Does the policy require (except when information is legally protected) to make publicly available the following information related to the contract management process:</i></p> <p><i>The contract and any amendments, implementation, evaluation, oversight and auditor's reports, dispute-settlement mechanisms and procedures, any machine-readable information or specific open formats for any publications?</i></p>	<p> Weak</p> <p>Information Disclosure Policy (GCF/B.13/04) (page 6-7)</p> <p>The policy lays out procedures for accessing information. The GCF does not clarify the public availability of the following in any of its policies relating to the contract management process:</p> <ul style="list-style-type: none"> the contract itself and any amendments implementation, evaluation, oversight and auditor's reports a clear policy on redactions favouring the public interest <p>Dispute-settlement mechanisms and procedures are not centrally set out but are usually specified in the model contract as based on the International Chamber of Commerce or UN United Nations Commission on International Trade Law rules.</p>	<p>The GCF should amend its policy to provide for the proactive disclosure of contracts, contract amendments, implementation, evaluation, oversight and auditor's reports. It should further ensure a clear policy on redactions favouring the public interest.</p>
<p>3. The information (specified in minimum safeguard 1 and 2 above) should be made available through an open web portal that is centralised at each level, to the extent possible. If a web portal is not available or is little used, the information should be widely disseminated through alternative media.</p>	<p><i>Does the policy specify how information, or how prominently information, must be published? Is it on a website or otherwise? Does supporting documentation have to be publicly accessible? Does the GCF make any information available and if so, how?</i></p>	<p> Average</p> <p>Information Disclosure Policy (GCF/B.13/04) (page 6-7)</p> <p>The policy lays out procedures for accessing information. The policy states that the GCF website is the main source of disclosure, where the GCF routinely publishes a wide range of information and documents. It also provides that non-disclosed information may be disclosed on request. In practice, the GCF only discloses publicly competitive tenders, amendments to tenders and clarifications on its website.</p>	<p>The GCF should clarify in its procurement guidelines what information must be disclosed publicly on its website, what information may be disclosed upon request, and in what formats certain information should be disclosed.</p>


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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
4. Digital information should be published in widely used formats that are non-proprietary, searchable, sortable, platform-independent and machine-readable.	<i>Does the GCF have a clear policy on the format used for publication of documents? If so, in what format are they published?</i>	<p> Weak</p> <p>There is no provision in the information disclosure policy regarding the formats in which such information should be disclosed. Information on tenders posted on the website is not available in a searchable, sortable, platform-independent and machine-readable format.</p>	The GCF should adopt a policy to ensure that information is prepared and shared in an easily accessible and user-friendly format. It should further adopt guidelines and processes to enable the Secretariat to publish documents and data on its contracting in the form of non-proprietary, searchable, sortable, platform-independent and machine-readable open data, such as through the Open Contracting Data Standard.
5. Stakeholders in a major procurement process should be fully informed and consulted on relevant aspects of the project	<i>Does the GCF policy require that external stakeholders in a major procurement process be fully informed and consulted on relevant aspects of the project?</i>	<p>Not applicable</p> <p>There is no evidence that there is any procurement managed by the GCF Secretariat that could be considered as a “major procurement” with a significant number of affected stakeholders. However, to the extent that the scope of procurement processes managed by the GCF expands beyond its current remit, this would have to be revisited.</p>	The GCF Secretariat should remain vigilant as to the scope of the procurement that falls within its remit. Care should be exercised in relation to expanding this to procurement processes that are of a large nature and related to goods or services that come into direct contact with stakeholders on the ground in GCF funding recipient countries.

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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
6. Internal and external control and auditing bodies should function independently and effectively and the external reports should be accessible to the public.	<i>Does the GCF's policy require that the reports of its internal and external control and auditing bodies are accessible to the public?</i>	<p> Average</p> <p>Reports of internal and external committees/panels (Ethics and Audit Committee/Accreditation Panel/others) are not made public – unless transparency is required for a larger decision (approval of accredited entities, external budget audits).</p> <p>The Ethics and Audit Committee of the Board issues has written reports of its activities to the Board since July 2015 (prior to this, reports were presented orally at Board meetings) (see latest report at GCF/B.16/Inf.04/Add.02). The terms of reference of the Committee do not require that it reports. However, those terms require that the Committee establishes guidelines for its operations. Those guidelines could not be located on the GCF's website, however.</p> <p>On an annual basis, the GCF publishes its audited financial statements (see e.g. GCF/ GCF/B.13/22, GCF/BM-2015/Inf.02). A Board decision requires that it does so.</p> <p>All of these reports are available on the GCF's website. However, they are buried in (albeit searchable) Board meeting documentation and thus are not easily accessible for the public.</p>	The GCF should clarify the scope and frequency with which the Ethics and Audit Committees and Panels make public reports of their work. The GCF should dedicate a webpage to its external and internal audit reports – this is best practice and is observed across other like funds.

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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<p>7. Require disclosure by officials involved in the procurement process of financial assets, the amount and source of any non-GCF income, the amount and source of income of close family members and any outside activities in which an official has a leadership role, such as membership of charitable boards of directors.</p>	<p><i>Does the GCF's policy require that the officials with leadership roles involved in the procurement process disclose financial assets, the amount and source of any non-governmental income, and the amount and source of income of close family members and any outside activities?</i></p>	<p> Strong</p> <p>Policy on Ethics and Conflict of Interest for the Board (GCF.9/16) Section 6 (page 8)</p> <p>"In order to avoid conflicts of interest and to strengthen the proper, transparent and independent governance of the Fund and its governing bodies, Covered Individuals shall submit to the Ethics and Audit Committee a list of their functions and roles outside the Fund that would have relevance or potential relevance to the business of the Fund and shall update such a list if and when required to reflect amendments. The Ethics and Audit Committee shall not make this list publicly available, unless it needs to disclose it to the full Board, the Executive Director and relevant government with regard to a specific case in the context of procedures when a conflict of interest arises."</p> <p>The Administrative Guidelines on Human Resources (GCF/BM-2014/01) (page 16) require that staff disclose their interest as well as that of their immediate family members:</p> <p>"X. Disclosure of financial and business interests</p> <p>A staff member must promptly disclose to his/her Director or Head of Unit, any financial or business interest that he/she or an immediate family member has, which might reflect unfavourably on the Fund, or which might be in actual or perceived conflict with his/her duties. Upon such disclosure, the staff member must refrain from exercising any responsibility as a staff member that might affect such interest, except as otherwise directed by his/her Director or Head of Unit.</p> <p>In the event the Fund has reason to believe that a staff member or an immediate family member has engaged in conduct or entered into a transaction prohibited under this Code, such staff member may be required to provide to the Fund a certified statement of relevant financial and business interests and to use best efforts to provide a comparable statement in respect of immediate family members."</p> <p>While these policies do not detail the precise interest to be disclosed, their broad nature would include that specific interests as reflected in the standard are disclosed. Providing more guidance on these specifics would be helpful.</p>	<p>The GCF should clarify that the interests required to be disclosed include financial assets, the amount and source of any non-government income, the amount and source of income of close family members and any outside activities in which an official has a leadership role.</p>

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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
8. Disclosure should also have a process of requesting for information in cases where it is not made available	<i>What is the existing mechanism for stakeholders to obtain this (question 6) information/clarification?</i>	<p> Strong</p> <p>Information Disclosure Policy (GCF/B.13/04) Processes for Accessing Information (page 7)</p> <p>Information upon request: “Anyone may contact the Secretariat to request any document or information which is not accessible on the GCF’s website. The Secretariat will entertain external requests for information or documents that are made in writing. Requests for information may be submitted in writing or via e-mail, as needed, addressed as follows:(a)In writing: Green Climate Fund, Disclosure, 175, Art Center-daero, Yeonsu-gu, Incheon 22004, Republic of Korea; or(b)Via e-mail: <disclosure@gcfund.org>.All requests for information are processed by the Secretariat. Requests should indicate with reasonable specificity the information that is being sought to enable the Secretariat, within a reasonable period of time, to locate the information. Requests for information will be submitted in English, which is the working language of the GCF, and the response will be in English. In responding to external queries, the Secretariat will either provide the requested information or document, referring the requester to the relevant link on the GCF’s website whenever possible, or a legitimate reason as to why the information cannot be given, based on the exceptions to disclosure defined by the GCF or on the fact that such information does not exist or cannot be found. For information requests that involve the reproduction of material, the GCF may charge a fee, which will be communicated to the requester in advance.”</p>	No recommendation suggested.



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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
9. Financial asset reports for senior managers should be made available to the public.	<i>Does the GCF's policy require the senior managers/ leadership to make available to the public the financial asset reports?</i>	<p>● Weak</p> <p>In fact, the disclosure policy does NOT allow public disclosure.</p> <p>Information Disclosure Policy (GCF/B.13/04) Chapter V (page 3)</p> <p>"The GCF will not disclose information relating to: (i) personal information of any person, including members and alternate members of the Board, advisers, the Executive Director, GCF staff and consultants and other persons connected with the GCF; and (ii) staff appointment and selection processes, the disclosure of which would affect the legitimate privacy interest of the person(s) concerned."</p> <p>"Certain financial information: The GCF will not provide access to any financial information that, if disclosed, would prejudice the financial or commercial interests of the GCF and any of its activities."</p> <p>Policy on Ethics and Conflict of Interest for the Board (GCF/B.09/16) Section VI (page 8)</p> <p>"In order to avoid conflicts of interest and to strengthen the proper, transparent and independent governance of the Fund and its governing bodies, Covered Individuals shall submit to the Ethics and Audit Committee a list of their functions and roles outside the Fund that would have relevance or potential relevance to the business of the Fund and shall update such a list if and when required to reflect amendments. The Ethics and Audit Committee shall not make this list publicly available, unless it needs to disclose it to the full Board, the Executive Director and relevant government with regard to a specific case in the context of procedures when a conflict of interest arises."</p> <p>Policy on Ethics and Conflict of Interest for Board Appointed Officials (GCF/b. 13/21) (page 8)</p> <p>"Disclosure of financial and business interests: Board appointed officials shall promptly disclose to the Independent Integrity Unit any financial or business interest that s/he or an Immediate Family Member has, which might reflect unfavourably on the Fund or which might be in actual or perceived conflict with her/his duties. Upon such disclosure, the Covered Individual shall refrain from taking any action as a Board Appointed Official that might affect such interest, except as otherwise directed by the Board. Covered Individuals must file annually until separation from the Fund, a financial interest disclosure form in a form and manner to be proposed by the Chief Financial Officer of the Fund and approved by the Ethics and Audit Committee. In the event that a financial disclosure reveals a conflict of interest, the Independent Integrity Unit will provide advice on how to obviate or mitigate the conflict."</p>	The GCF should publish financial asset reports for senior managers and executive-level decision-makers.


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Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
10. To promote transparency, all stakeholders related to the entity should be required to publicly disclose all gifts/benefits received	<i>Does the GCF's policy require Board members, staff and consultants to report gifts in a registry, and that that registry is publicly disclosed or made available to the public through access to information requests?</i>	<p>● Average</p> <p>All gifts, favours and honours given to GCF staff, Board-appointed officials and Board members are to be reported (refer to answer for safeguard 6 under integrity). However, there is no policy for reporting in any registry publicly.</p>	The GCF should disclose its gift registry and report on the status of its contents at Board meetings.




ACCOUNTABILITY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
1. Administrative or judicial processes able to impose sanctions when it is determined that fraud, bribery or collusion have taken place should be established and maintained to effectively deter corrupt practices.	<i>Does the GCF's policy establish and ensure the implementation of administrative guidelines of the GCF to impose sanctions upon a determination of fraud, bribery or collusion that can effectively deter corrupt practices?</i>	<p> Weak</p> <p>The procurement guidelines do not elaborate any internal or external processes to determine or impose sanctions. The policy does state that contracts are to provide for dispute mechanisms and procedures: "Applicable Law and Settlement of Disputes: The contract shall include provisions dealing with the applicable law and the forum for the settlement of disputes. Consultants' contracts shall always include a clause for settlement of disputes." (GCF/B. 08/31 S.2-3(5)) However, as the contracts are not disclosed, it is difficult to assess the level of procedures described therein to fulfil these criteria.</p>	The GCF should adopt, or explain an existing, procedural process whereby it may impose sanctions on its consultants if it is determined that fraud, bribery or collusion have taken place, to effectively deter corrupt practices.
2. Sanctions should be effective, proportionate and dissuasive. These should include monetary and criminal penalties (where available) against companies and individuals. Sanctions should also include confiscation of illicitly gained profits and debarment from tendering for a particular period of time.	<i>Does the GCF's policy include sanctions that are effective, proportionate and dissuasive and include monetary or other penalties (e.g. black listing where available, debarment from tendering for a particular period) against companies and individuals?</i>	<p> Strong</p> <p>For reference to the following "consultants" are defined in the GCF's procurement guidelines as "firms and individuals" (GCF/B. 08/31):</p> <p>1. The Fund states that consultants will be subject to sanctions for corruption and fraud.</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) Annex II, Part I (page 6)</p> <p>Fraud and corruption: "The Fund will reject a proposal for an award if it determines that the <i>consultant</i> recommended for the award has directly, or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question."</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) Annex II, Part I (page 6) "The Fund will sanction a firm or individual, at any time, including declaring ineligible, either indefinitely or for a stated period of time, such consulting firm, individual or successor from participation in Fund-financed activities, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or other prohibited practices."</p> <p>2. The Fund also defines sanctions in its General Principles on Prohibited Practices (see GCF/B.12/32). These include:</p> <p>i. Reprimand – the Fund may send a formal letter of reprimand of the Counterparty's behaviour;</p> <p>ii. Cancellation or suspension – the Fund may cancel or suspend a portion of Fund proceeds allocated to a Counterparty but not yet disbursed under a financing agreement or contract for goods or services;</p> <p>iii. Debarment – the Fund may declare a Counterparty, either indefinitely or for a specified period of time, ineligible:</p>	




ACCOUNTABILITY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<i>Refer to previous page</i>	<i>Refer to previous page</i>	<p>a) To be awarded future financing from the Fund;</p> <p>b) To be awarded a contract financed by the Fund;</p> <p>c) To benefit from a contract financed by the Fund, financially or otherwise, for example as a subcontractor; and</p> <p>d) To otherwise participate in Fund related Activity, in whole or in part;</p> <p>iv. Conditional Non Debarment – the Fund may require the Counterparty to comply, within specified time periods, with certain remedial, preventative or other measures as a condition to avoid debarment. In the event the Counterparty fails to demonstrate its compliance with the prescribed conditions within the time periods established, a debarment may automatically become effective for a period of time;</p> <p>v. Restitution of funds – the Fund may require restitution of improperly used or diverted Fund proceeds...”</p>	
<p>3. Corporations and other legal persons should be liable for corrupt acts by their employees.</p>	<p><i>Does the GCF's policy include liability provisions for corporations and other legal persons (which are contracted by the GCF) regarding corrupt acts by their employees?</i></p>	<p> Strong</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) Appendix 1: Implementing Guidelines on Institutional Procurement, (page 19) states: “Bidding documents for institutional procurement will include an undertaking that bidders will abide with the relevant national laws against fraud or corruption. The Fund may suspend the procurement process at any stage when there is sufficient evidence to support a finding that an employee, agent or representative of the bidders, suppliers, consultants, contractors and/or service contractors has engaged in any integrity violation in competing for or in executing a Fund-financed contract. The Fund will not award a procurement contract to a winning bidder that has directly or indirectly engaged in any integrity violation in competing for the contract in question.”</p> <p>Also, in (GCF/B. 08/31) Annex III: Corporate Procurement Guidelines for Goods and Services (Page 15) the policy defines a contractor as “Any party that supplies goods or performs works and/or services using their own means, methods or manner of accomplishing the desired result pursuant to a contract with the Fund. This includes the contractor's employees, representatives, successors, assignees and/or subcontractors. 2.6. Corporate Credit.”</p>	<p>No recommendation suggested.</p>


ACCOUNTABILITY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
4. Internal and external control and auditing bodies should function independently and effectively and the external reports should be accessible to the public.	<i>Does the GCF's policy require that internal and external control and auditing bodies exist and function independently and effectively?</i>	<p> Strong</p> <p>The “internal” control and auditing bodies of the GCF include the Ethics and Audit Committee, the Independent Evaluation Unit, the Independent Redress Mechanism, and the Independent Integrity Unit. All bodies report directly to the Board and are separate from the Secretariat. The terms of reference of the independent units clearly state that they should operate independently and be free of undue influence. Since they became operational only in the past year, gauging their effectiveness is not possible at the time of this analysis.</p> <p>The GCF's external auditor is appointed by the Board. The auditor's terms of reference include the obligation that the auditor maintain independence, be efficient and produce quality reports (GCF/B.08/45 Annex XXVII S. IV 11(e) and (g)). The GCF's Trustee also employs an external auditor to perform annual single audits.</p>	No recommendation suggested.
5. The participation of civil society organisations as independent monitors overseeing all stages of the procurement process should be promoted.	<i>Does the GCF's policy establish and maintain the space for the participation of civil society organisations as independent monitors overseeing all stages of the procurement process?</i>	<p> Average</p> <p>There is no clarity regarding the role of civil society in internal procurement processes.</p> <p>The GCF's procurement guidelines establish an Institutional Procurement Committee. The role of the Committee in relation to “procurement with estimated value above US\$ 500,000” is conduct “pre- or post-qualification review of bidders, bid opening, bid evaluation and negotiations in the procurement of goods and/or services of a specified value and recommending the award of contract to the ED for approval. The IPC may issue additional regulations from time to time to carry out its functions more effectively.” The Committee is proposed to consist of five persons – one of which may be an observer – which may include civil society representatives. However, there is little information on the composition or activities of the Committee that would enable an assessment of the extent to which civil society is engaged.</p>	The GCF should clarify whether the observer role in its Institutional Procurement Committee includes civil society or not. In addition, the GCF should develop or elaborate its policy in regard to opening a space for civil society to monitor and oversee its procurement processes.
6. A clearly identified procedure that will address conflicts of interest that develop during the procurement process.	<i>Does the GCF's policy encompass a process or procedure to deal with instances of perceived or actual conflicts of interest which arise during procurement and contracting processes?</i>	<p> Weak</p> <p>There is no policy in place as of now, but units are in the process of being set up.</p> <p>Administrative Guidelines on Procurement (GCF/B.08/31) Annex III (page 17)</p> <p>“The Fund will take appropriate action to manage conflicts of interest involving Fund staff and dependents, bidders, suppliers and contractors, including but not limited to rejection of proposals for award, if the Fund determines that a conflict of interest has compromised the integrity of any procurement process.”</p> <p>The Board is in the process of operationalising its Independent Integrity Unit, which has jurisdiction over conflict of interest cases. However, a bespoke policy on how to investigate and resolve such cases is wanting. Presumably, an interim approach has been adopted by the Secretariat. However, that approach has not been made public.</p>	The GCF should adopt a formal process or procedure to deal with instances of perceived or actual conflicts of interest which arise during procurement and contracting processes. In the meantime, it should explain what interim processes are being applied.



ACCOUNTABILITY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
7. Robust, independent and effective appeals processes should be in place for aggrieved bidders and should be accessible at any time during the procurement process. The appeals process should not be overly complex, time-consuming or expensive, and should be capable of suspending the procurement until a judgement is made.	<i>Does the GCF's policy encompass a process or procedure for robust, independent and effective appeals processes for aggrieved bidders and is this accessible at any time during the procurement process?</i>	<p> Weak</p> <p>The GCF's policy mentions that it will take "appropriate action" but does not lay out a process for appeals by aggrieved bidders.</p>	The GCF should adopt a robust, independent and effective appeals processes for aggrieved bidders which is accessible at any time during the procurement process. The appeals process should not be overly complex, time-consuming or expensive, and should be capable of suspending the procurement until a judgement is made.
8. Whistle-blowing should follow a process that allows full protection from all forms of retaliation	<i>Does the policy provide for whistle-blower protection mechanisms regarding the GCF's procurement and contracting activities/ operations? To whom?</i>	<p> Average</p> <p>The GCF states that it will protect the confidentiality of whistle-blowers and that retaliation against whistle-blowers is strictly forbidden (as referenced below). However, the GCF lacks a bespoke policy on whistle-blower and witness protection which describes the scope of application, protections and procedures.</p> <p>Information Disclosure Policy, Chapter V, paragraph e (page 4)</p> <p>The GCF will not disclose information provided to it in confidence, alleging fraud, corruption, or violation of any of the GCF's policies, or misconduct, except to the extent specifically permitted by and in accordance with the applicable rules on investigations, as well as the identity of the party making the allegation, unless such a person consents to the disclosure of his or her identity.</p>	The GCF should adopt a comprehensive whistle-blower and witness protection policy that addresses all forms of retaliation.
9. Clear and robust systems that clearly monitor and assess the quality of goods/ services delivered.	<i>Does the GCF's policy encompass a process or procedure to assess the quality of goods or services delivered?</i>	<p> Strong</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) Section B (pages 6 and 14)</p> <p>"Performance Evaluation: The Fund believes that past consultant performance should be linked to further business opportunities. The Fund implements formal consultant performance evaluations. The consultant is also given the opportunity to review and comment on the content of the performance evaluation report prepared by the Fund."</p> <p>"Monitoring and Evaluating Performance: When an assignment is completed, the Fund prepares a confidential report that explains its overall ratings, particularly any low ratings. If the firm's (or individual's) performance is later found to be poor, the report could be used to support any restrictions or other sanctions. The consultant is given the opportunity to comment on the findings of the performance evaluation. The Fund maintains files on the performance of consulting firms and individual consultants and checks these records at the time of shortlisting."</p>	No recommendation.

ACCOUNTABILITY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
10. In addition to registries, the system also needs to identify penalties in the case of failure to report gifts/benefits.	<i>Does the GCF's policy include a process or procedure to address and penalise instances when relevant GCF staff/the Board receive gifts but do not report or surrender them as required by the said policy?</i>	<p> Weak</p> <p>No information could be found as to any penalties that would apply for failure to comply with the rules around failure to report gifts.</p>	The GCF should adopt a policy which identifies the failure to report or surrender gifts received by staff as a form of misconduct and set appropriate penalties. Such penalties should align with other penalties that are set out in the GCF's codes of conduct, and should be proportional to the severity of the breach in question but also sufficient to urge compliance.

FAIRNESS AND EFFICIENCY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
1. Any request for procurement must have a clear justification in terms of advancing the interests of the GCF.	<i>Does the GCF's policy require that procurement is necessary, appropriate and non-extravagant in nature?</i>	<p> Strong</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31), Annex III, (page 17)</p> <p>“Procurement Principles: With due consideration for economy, efficiency and effectiveness, the Fund will procure quality goods and/or services for its operations at the most competitive and/or comparative market prices available using the most competitive procurement method applicable. It will give due regard to the qualifications of the supplier or provider, promptness of delivery, terms of payment, availability of adequate warranty, necessary quality, servicing facilities and previous performance, among other things: a) To achieve economy of price and to save on administrative cost, the Fund may execute LTAs and supply agreements for the purchase and supply of goods and services whenever feasible. Pricing provided under the aforesaid LTAs will be subject to periodic market testing or confirmation.”</p>	No recommendation.
2. Public contracts above a certain (low) threshold, which is clearly established in a GCF policy, should be subject to open competitive bidding. Exceptions to this must be limited and clear justifications documented and made publicly available.	<i>Does the GCF's policy require that contracts above a certain (low) threshold, are subject to open competitive bidding?</i>	<p> Average</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) Appendix I (Page 19 and 21 and 25)</p> <p>All procurement above US\$150,000 is subject to open competitive bidding. Procurement between US\$50,001 and US\$ 150,000 is limited to tender from pre-selected and suitable suppliers in the GCF Registry of Vendors. It seems that such pre-selection is done competitively, although this could be clarified.</p> <p>The Appendix does, however provide, that “Goods and services will be procured through open, international competitive bidding, except when circumstances justify using other procurement methods, subject to the requirements as herein provided.” Such other circumstances are identified as follows:</p> <ul style="list-style-type: none"> • “The goods and/or services are highly specialized and therefore provided by a sole or a limited number of manufacturers or suppliers; • Open international competitive bidding is not likely to be cost-efficient, based on experience or as determined by the user division and confirmed by the PS and approved by the CFO/DSS; and • A previous tender for the goods and services was not successful or had to be cancelled. • The ED [Executive Director] decides, for other reasons deemed appropriate and necessary, or the IPC advises against use of public competitive bidding as the method of procurement” <p>While exceptions are provided for, they are not defined in a limited way as the ED is given the decision-making power for “other reasons deemed appropriate and necessary” to nevertheless overrule the other explicit grounds for exception. In addition, there is no provision for justifications to be made publicly available.</p>	The GCF should ensure that all exceptions to the rules on open competitive bidding are closely documented and publicly available. This is particularly urgent in cases where competitive bidding does not take place for “other reasons deemed appropriate and necessary”. Without transparency, this clause has the potential for abuse as it concentrates discretion in the hands of one individual.

FAIRNESS AND EFFICIENCY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
3. No bidder should be given access to privileged information at any stage of the contracting process, and bidding opportunities should be widely published.	<i>Does the GCF policy require that the GCF open bids in public at a particular time and place?</i>	<p>● Strong</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) (page 8)</p> <p>“Public Opening of Financial Proposals: The Fund shall then inform the firms whose technical proposals scored 75 points or more of the time and place where the Fund will publicly open their financial proposals. The name of the firms, the technical quality scores and the proposed prices shall be announced and recorded when the financial proposals are opened.”</p>	No recommendation.
4. The information specified above should be made available through an open web portal that is centralised at each level of government, to the extent possible. If a web portal is not available or is little used, the information should be widely disseminated through alternative media.	<i>Does the GCF's policy require that bidding opportunities are widely published so that all relevant stakeholders are made aware of the opportunity?</i>	<p>● Strong</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31), Section B (page 22)</p> <p>“General considerations: (a) All eligible suppliers and contractors will be notified of opportunities to bid through public notices or advertisements. In general, the Fund shall distribute the RFP through an electronic system.”</p>	No recommendation.
5. Procurement officials should, where relevant, use standardised bidding documents and internationally accepted product standards, instead of creating their own.	<i>Does the GCF's policy require that GCF staff, where relevant, use standardised bidding documents and internationally accepted product standards, instead of creating their own?</i>	<p>● Average</p> <p>While it addresses standardised bidding documents, it does not cover internationally accepted product standards.</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) Annex II, Section B (page 8)</p> <p>“Preparation and Issuance of the RFPs: The Fund staff shall use the standard RFPs, which include: Letter of invitation; Instructions to consultants, including a data sheet and evaluation criteria; and TOR.”</p>	The GCF should clarify whether it applies internationally accepted product standards, and if so which ones. If not, the GCF should adopt such standards.

FAIRNESS AND EFFICIENCY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
6. A clear process through which key information about each bidder is captured. This could be through a bidder registration process where key information is collected about each supplier and can be referred to in the future.	<i>Does the GCF policy require bidder registration? If so, what is required? What due diligence is required on bidders, in terms of capitalisation, beneficial ownership, or corporate history?</i>	<p>● Strong</p> <p>See Administrative Guidelines on Procurement (GCF/B. 08/31) (page 29).</p> <p>1. The GCF does maintain a vendor registry, as stipulated in its procurement guidelines.</p> <p>2. Although the specific data maintained in that registry is not clearly stated, the GCF evaluates proposals on the basis of a number of criteria which are articulated in the guidelines and effectively suffice as due diligence. These include:</p> <p>“7.2.1 (a) Financial condition; (b) Technical qualifications; (c) Relevant experience; (d) Key employees; and (e) Record of compliance with applicable laws and/or standards on environmental protection, corporate social responsibility, and fraud and corruption;...</p> <p>7.2.3 Technical and commercial evaluation criteria ... (i) Experience; (ii) Resources; (iii) Employees; (iv) Work performance statement; (v) organization/references/ key staff; (vi) Health, safety and environment; (vii) Quality management; (viii) Procedures and systems; and (ix) Acceptance of the proposed terms and conditions; Financial Criteria : (i) Financial standing; and (ii) References (if applicable).”</p>	No recommendation.
7. The policy about any applicable fee for bidding documents should be clearly mentioned.	<i>Does the GCF policy require that bidders submit a registration fee to pay for bidding documents?</i>	<p>● Strong</p> <p>No information could be located which specifies one way or the other whether fees would be required. However, the GCF confirmed during the review process that no charges are levied, nor is it envisaged to do so in the future.</p>	The GCF should clearly state whether it does or does not require bidding fees.
8. Bidders should have sufficient time for bid preparation and pre-qualification, when applicable. A reasonable amount of time should be left between publication of the contract award decision and the signing of the contract, in order to give an aggrieved competitor the opportunity to challenge the award decision.	<i>Does the GCF's policy state a minimum required time for bid preparation and pre-qualification, when applicable?</i>	<p>● Strong</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) Appendix I (page 23)</p> <p>Bidders get adequate time to prepare and submit their bids. Bidding periods are normally 15–30 calendar days, counted from the issuance of bidding documents until the deadline for submitting bids. Deadlines may be extended by the appropriate approving authority.</p>	No recommendation.

FAIRNESS AND EFFICIENCY



Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<p>9. Clear evidence of efforts made to simplify terms of reference for technically complex initiatives in order to not exclude any potential bidders due to a perception of excessive complexity.</p>	<p><i>Does the GCF policy require that terms of reference and technical specifications be clear and not overly complex to avoid bidder preferences?</i></p>	<p>● Strong</p> <p>The Administrative Guidelines on Procurement (GCF/B.08/31) ((S. 2.1A(1)(a) require that specifications be clear:</p> <p>“Preparation of the TOR: Before a consulting firm can be recruited, the objective and scope of the proposed work, and the functions and duties to be assigned to the consultant, should be clearly and adequately defined in the TOR.” The Director of Support Services is responsible for establishing “standards and specifications for the purchase, receipt and inspection of all goods and services, in consultation with the concerned user section, as necessary.”</p> <p>In cases where complex procurement is anticipated, the policy explains internal procedures to ensure fairness:</p> <p>Administrative Guidelines on Procurement (GCF/B.08/31) Annex III: Corporate Procurement Guidelines for Goods and Services S.4.3: “Where it has been determined at the start of the procurement process that goods and/or services to be procured are: (i) complex or require customization or (ii) not comparable for bid evaluation, the relevant endorsing authority may recommend that the DSS invite proposals and issue invitations to negotiate. The relevant endorsing authority will prepare a shortlist of suitable vendors following a structured request for information process, and submit an appropriate negotiation strategy for approval. In general, negotiations will be conducted until the best and final offer can be accepted. The DSS will also approve guidelines specific to each procurement that would govern the conduct of negotiations. The negotiation process and its results must be duly documented as part of the procurement file.</p> <p>GCF/B.08/31 Appendix 1: Implementing Guidelines on Institutional Procurement S.3.3 “For institutional procurement of complex goods and/or services, or for procurement that involves complex legal issues, the IPC shall include the General Counsel or designated representative as ex-officio member.”</p>	<p>No recommendation.</p>
<p>10. Make public the key elements of the bid evaluation process so that they may be fairly applied to the proposals.</p>	<p><i>Does the GCF's policy require that clear and reasonable bid evaluation criteria are transparent and applied?</i></p>	<p>● Strong</p> <p>Administrative Guidelines on Procurement (GCF/B.08/31) Annex III (page 22)</p> <p>“Bidding documents will be made available via the Fund’s website (and may also be advertised elsewhere) and will contain provisions appropriate to implement the requirements of these guidelines: (a) Although the detail and complexity of bidding documents may vary depending upon the kind and value of goods and/or services to be procured, these documents must provide all information necessary for bidders to prepare responsive bids; (b) The evaluation criteria and methodology shall be disclosed in the instructions to bidders with the corresponding pass-fail criteria or weighting and scoring table.</p> <p>The IPC may change the previously approved and published evaluation criteria and methodology when: (i) There are exceptional circumstances warranting such change; (ii) All bidders are notified of the change; (iii) The bidders have not yet submitted their bids; and (iv) Adequate time is given for the bidders to adjust their proposals to the modified evaluation criteria.</p>	<p>No recommendation.</p>

FAIRNESS AND EFFICIENCY

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
<i>Refer to previous page</i>	<i>Refer to previous page</i>	Any additional information, clarification, correction of errors or alteration in bidding documents shall be provided to all those who have received the original bidding documents; and in the event of any substantive amendments to the bidding documents, the IPC will give adequate time to bidders to make any necessary changes in their bids resulting from such amendments. A period of 15 calendar days is considered adequate for this purpose where the changes involved are substantial."	<i>Refer to previous page</i>
11. Barring exceptions, the systems should have a clear set of timelines for each procurement step.	<i>Does the GCF policy stipulate the time period and the need to avoid delays between bid submission and opening, between project start and completion, between contract signing and implementation, for the disclosure of documents and financials for the auditing purposes? If so, what is it?</i>	<p>● Average</p> <p>The procurement policy just provides the bidding time period (15–30 calendar days). However, the GCF confirmed that timelines are "usually inserted" in the bidding documents.</p>	The GCF should provide clear timeframes for anticipated actions and procedures, including time periods between bid submission and opening, project start and completion, contract signing and implementation, and the disclosure of documents and financials for the auditing purposes. The GCF should also clearly state its commitment to preventing delays as far as possible.
12. Clearly defined best value for money principles.	<i>Does the GCF policy apply a best value for money procurement principle?</i>	<p>● Strong</p> <p>Administrative Guidelines on Procurement (GCF/B. 08/31) Annex III (page 17)</p> <p>"Contracts or purchase orders will be awarded to the bidder who submitted the lowest evaluated substantially responsive bid, if bidding evaluation methodology is pass/fail, or to the bidder with the highest score, if scoring methodology is used. Where, during bid evaluation, prices offered by the lowest evaluated substantially responsive bidder are significantly higher than market references, the Director of Support Services (DSS) may authorize negotiations with the lowest evaluated substantially responsive bidder. Negotiations will generally be conducted so as to obtain the best value for money for the Fund."</p>	No recommendation.

PROFESSIONALISM

Minimum safeguards	Key questions	Policy reference and analysis	Recommendation
1. Procurement positions should be adequately remunerated in order to attract well-qualified staff. Training and other avenues for career enhancement should be available.	<i>Does the GCF's policy provide that procurement positions are adequately remunerated in order to attract well-qualified procurement staff, and does it have a policy for the availability of other avenues for career enhancement?</i>	<p>● Strong</p> <p>Updated Administrative Guidelines on Human Resources (GCF B.11/19) (page 5)</p> <p>Explicit reference is made to challenges in attracting international talent. In addition to the challenges in spouse employment opportunities and social isolation, salaries are now more competitive. The Board's guidance to prioritise recruitments at the minimum of the scale has restricted the Secretariat in taking full advantage of the salary range within a level, thus missing the opportunity to attract competitive candidates.</p> <p>In principle, the Board took note of the revised salary structure of the Asian Development Bank and the study that the Secretariat has conducted on the cost of living. It also noted that the executive director may apply, in exceptional cases, based on experience and merit considerations, more flexibility to appoint staff on a broader range, between the minimum and midpoint, on each salary level, based on a gradual negotiation which starts at the minimum.</p> <p>The continued application of the <i>Administrative Guidelines on Human Resources</i> has been approved until the revised guidelines lines are approved. These were to be reviewed at the 12th Board Meeting (March 2016). An information note was shared with the Board only.</p> <p>NOTE: The document <i>Administrative Guidelines on Human Resource (GCF/B.08/26)</i> is not available publicly.</p>	No recommendation.

<p>2. Positions should be filled and duties assigned on the basis of abilities and talent, and not based on origin, family connection, political influence or other unrelated qualities.</p>	<p><i>Does the GCF's policy require that positions should be filled and duties assigned on the basis of abilities and talent, and not based on origin, family connection, political influence or other unrelated qualities?</i></p>	<p> Strong</p> <p>Generally, the Updated Administrative Guidelines on Human Resources (GCF B.11/19) (page 6), state in S. 2.4 that “the employment, promotion and assignment of staff will be made without discrimination on the basis of age, nationality, religion, gender, race, sexual orientation, disability or similar other status.” These guidelines, of course, apply equally to staff within the GCF working in procurement.</p> <p>While the Updated Administrative Guidelines on Human Resources track how the previous guidelines are to be amended, no subsequent updated version of the administrative guidelines – incorporating the approved changes – was readily accessible on the GCF website.</p> <p>The original guidelines do, however, provide in their “main principles” that “The Fund will seek to accord full and fair opportunities to eligible staff to compete for promotion to higher levels and for filling vacancies as they occur. Selection for promotion will be competitive, based on specified criteria and relative merits of eligible staff, and will be in accordance with established procedures to determine the most suitable candidate to be appointed”.</p> <p>In terms of new appointments to the GCF, the same guidelines provide in Section 2.3 that</p> <ul style="list-style-type: none"> • “The Fund will hire highly-qualified staff with various skills, internationally and locally, based on their qualifications and competences, through a transparent selection process” • “The Fund will take all necessary action to preclude that its recruitment practices involve nepotism, conflict of interest and other inappropriate practices”; and • Selection of qualified candidates will generally be competitive, based on specified capability criteria and relative merits of shortlisted candidates and in accordance with established procedures to determine the most suitable candidate. <p>Thus, it would seem that the GCF is clear in terms of its policy provision that all positions, whether new or promotions, be filled on the basis solely of qualifications for the role.</p>	<p>No recommendation.</p>
<p>3. Procurement departments should have clear plans for providing capacity building opportunities for their staff.</p>	<p><i>Does the GCF provide capacity building opportunities to procurement staff through regular trainings/ programmes?</i></p>	<p> Average</p> <p>It is not clear what provisions are in place for providing capacity building opportunities for procurement staff. The GCF has, however, confirmed that each unit has a training budget for training and short-term professional development.</p>	<p>The GCF should ensure that any of its staff having a direct responsibility for procurement processes have opportunities for training and capacity building, and it should put a plan in place to achieve this.</p>

END NOTES

1. Transparency International takes “billion” to refer to one thousand million (1,000,000,000).
2. www.greenclimate.fund/home.
3. Other financial instruments of the UNFCCC include the Global Environmental Facility, the Adaptation Fund and the Special Climate Change Fund.
4. www.pwc.co.uk/services/sustainability-climate-change/insights/low-carbon-economy-index-2015-download-section.html.
5. www.worldbank.org/en/news/feature/2014/09/05/climate-finance-is-flowing-but-not-enough-yet.
6. https://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocurement?e=2496456/8718192.
7. One safeguard was not evaluated as it was not applicable in this case.
8. http://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf.
9. www.pri.org/stories/2016-12-04/worlds-nations-vow-move-forward-paris-agreement-or-without-us-president-elect.
10. www.greenclimate.fund/about-gcf/global-context#mission.
11. <http://www.greenclimate.fund/projects/portfolio> (September 2017).
12. Including a range of items, from computers, furniture, travel and catering for the Secretariat and Board to consultancies for a wide range of country programming support, guideline development evaluations, etc.
13. <http://www.greenclimate.fund/about-gcf/procurement>.
14. https://www.greenclimate.fund/documents/20182/226888/GCF_B.13_Inf.08_-_Report_on_the_execution_of_the_2016_administrative_budget_of_the_Green_Climate_Fund_at_30_April_2016.pdf/2fd40439-32a3-4956-850d-2996b7e86904.
15. Document may be accessed at: https://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocurement?e=2496456/8718192.
16. This refers to activities carried out prior to initiating the contracting process, such as needs assessment, the development of a procurement plan and budget allocation, procurement budgets and plans, tender opportunities, technical specifications, selection criteria, and key elements of all bids in a public tender opening event. Key elements include bidder identity, beneficial ownership of corporate bidders and information on responsiveness to the evaluative criteria, key elements of the bid evaluation process, the award decision and its justification.
17. This refers to the contract and any amendments (including significant change orders), implementation, evaluation, oversight, auditors' reports, dispute-settlement mechanisms and procedures, and machine readable formats for publications.

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