



# A TALE OF FOUR FUNDS

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**Best practices of multilateral trust  
funds in safe-guarding climate  
finance from corruption and waste**



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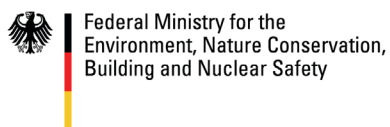
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# EXECUTIVE SUMMARY

**Climate finance is essential in catalysing global and national efforts to safeguard the environment and people's lives, and to avoid serious climate change. It involves flows of public money intended to support developing countries to reduce greenhouse gas emissions and adapt to environmental impacts, such as droughts, flooding, and sea level rise.**

Among the various delivery channels, multilateral trust funds have been established through intergovernmental processes and partnerships over the past decade, to pool and provide the demanded support.<sup>1</sup> As an important conduit of climate finance, these funds are also delivering multiple social, environmental and financial benefits in relation to climate demands and results. By setting standards on transparency, accountability and integrity, multilateral funds also have the potential to drive transformations in strengthening the institutional governance for a multitude of financial intermediaries and beneficiaries, contributing to sustainable development in a world whose climate is changing.

Given these tremendous opportunities for impact, this report examines the best practices regarding the transparency, accountability and integrity policies and standards set by four multilateral trust funds with significant climate finance portfolios: the Adaptation Fund, the Global Environment Facility<sup>2</sup> (GEF), the Climate Investment Funds<sup>3</sup> (CIFs) and the Green Climate Fund (GCF). Based on desk research and consultations with each fund, the report takes stock of what policies these funds have in place and what standards they require of their finance delivery partners or implementing entities (in other words, those organisations accredited or otherwise contracted to carry out fund activities or projects with fund money). A wide range of policies are covered, including access to information, financial management, anti-money laundering, procurement, ethics and conflicts of interest, complaints-handling mechanisms, whistleblower and witness protection, and stakeholder participation and engagement.

In terms of both transparency and accountability, the report further assesses the extent to which the funds ease public access to the policies, standards and processes implemented by both the funds and their delivery partners. When, for example, a member of the public wishes to make a complaint or ask a question, can he or she relatively easily identify how to do that when visiting a fund's website? Finally, the report reviews the funds' efforts to demonstrate their transparency, integrity and accountability policies and those of their implementing entities. This means to flesh out whether the funds go beyond having policies in place, and requiring that policies are in place, and to evaluate evidence of how effective the policies are in practice.

By drawing out main findings regarding best practice and by recommending actions to enhance policy development and improve implementation, this report aims to contribute to the overall goal of ensuring that climate finance achieves both long- and short-term results and sustainable development benefits. However, this report does not assess the actual policy effectiveness, especially with regard to the policies of the funds' implementing partners. For example, it is beyond the scope of this report to evaluate how effective, transparent and effective stakeholder engagement policies and practices actually are on the ground. Such an assessment would usefully complement this report and should be considered for future study and recommendations to further advance the overall goal.

## BEST PRACTICE FINDINGS

**All funds pronounce clear ethics and conflict of interest rules.** These apply to Board members as well as technical or external experts, secretariat staff and consultants. All ethics and conflicts of interest policies reviewed require that covered persons disclose their interests, and provide for a procedure to review policy violations and to impose penalties or sanctions in cases of breach. All funds require that their implementing entities have similar policies in place.

- The GCF and the GEF specifically include Board advisers under those policies.
- The CIFs also bind persons participating as observers to its code of conduct.
- The GEF, the CIFs and the GCF require that covered individuals regularly report gifts received over a certain threshold and maintain gift registries.
- Secretariat staff of the Adaptation Fund, the GEF and the CIFs must undergo ethics training as they are World Bank employees.

**Robust policies are in place regarding financial management and reporting, independent audits and fair and transparent procurement processes.** These same standards are applied to their implementing entities. The secretariats of the Adaptation Fund, the GEF and the CIFs abide by the World Bank's anti-money laundering policies and the GCF is developing its own rules on this subject this year. The CIFs and the GCF also stipulate that their implementing partners have anti-money laundering due diligence programmes.

**The governing bodies of all funds strive to ensure fair and accountable decision-making** by voting by consensus. Additionally, the GCF provides rules and procedures for appealing and requesting explanations concerning Board decisions.

**All funds aspire to have effective anti-corruption hotlines and complaints-handling mechanisms at the fund level and require that their implementing entities do the same.** The secretariat staff of the Adaptation Fund, the Climate Investment Funds and the GEF are bound by the World Bank's policy, which is comprehensive in explaining who and what type of complaints or reports may be submitted, in providing an independent investigative function, in clarifying procedural timeframes, and in providing whistleblower and witness protection, including confidentiality and anonymity. Similarly, the GCF's Independent Integrity Unit provides instructions and advice on how to report wrongdoing while developing its prohibited practices and whistleblowing policies which apply to staff as well as external complainants.

While all funds maintain that project-level complaints should first be addressed by implementing entities, such as the grievance and redress mechanisms for project-affected communities required by the CIFs, the secretariats of the Global Environment Facility and the Adaptation Fund provide complaints-handling functions for project-level matters and can hire independent investigative services as needed. Likewise, the GCF's Independent Redress Mechanism "responds to complaints by people who feel they have been adversely affected by GCF projects or programmes failing to implement GCF operational policies and procedures."

All funds require that their implementing partners have complaints-handling functions which deal with cases of corruption, and

- the CIFs and GCF stipulate that implementing entities' investigative functions be independent
- the Adaptation Fund ensures that implementing entities also provide whistleblower protection for non-staff reporters
- the GEF is developing an improved stakeholder engagement policy which may require stakeholder outreach, communications and training programmes for fund and non-fund actors to support effective complaints-handling operations and results.

### **Policies are in place to sanction corrupt behaviours.**

- The Adaptation Fund and the GCF provide the most comprehensive sanctions policies in the case of events of corruption or fraud by or “under the watch” of their implementing entities. Among the menu of penalties that are enforceable are: repayment of funds lost to corruption, suspension of finance, project cancellation, suspension of accreditation and disaccreditation.

**All funds permit stakeholder participation in their governing body meetings**, although each fund varies significantly concerning their policies on observer participation.

- The CIFs provide the best model to date in permitting observer representatives from civil society, private sector and indigenous peoples groups from developed countries and from developing countries encompassing three regions: Latin America, Africa and Asia-Pacific. Each observer has a place at the table “at the table” and can intervene and engage freely in Committee discussions at any time when called on to speak. This allows observer inputs to be timely, reactive and more relevant to issues, as opposed to the practice where observers are permitted only to speak after the Board has finished its deliberations on agenda items.
- Both the CIFs and the GEF provide funding for civil society observers from developing countries to participate in governing body meetings.

**All funds support country-level stakeholder engagement to some extent.** The Adaptation Fund, the CIFs and the GEF require that their implementing partners consult stakeholders throughout the full project cycle.

- The GEF conducts regular sub-regional (expanded constituency) workshops to facilitate exchanges among local stakeholders, government officials and project implementers and is revising its policies on country-level stakeholder engagement to ensure that stakeholder inputs are voiced and heard.
- As part of its readiness programme, the GCF is supporting countries to develop stakeholder engagement plans.

- The CIFs have launched a Stakeholder Advisory Network initiative to support stakeholder partnerships to advise, monitor and contribute to the effectiveness of climate finance actions. The Climate Investment Funds also sponsor a long-term special support programme for the engagement of indigenous peoples, including a dedicated fund to enhance indigenous peoples’ roles in climate projects and to strengthen country ownership.

**Transparency is a stated principle across all funds, accompanied by clear and comprehensive policies on access to information and transparency requirements for implementing agencies.** The transparency policies of each fund are easily accessible on the website of each fund. Key elements of all policies include a basic presumption of disclosure of information, clear exception lists regarding information which may not be disclosed, processes for handling information requests and appeals for non-disclosure decisions, and timeframes for declassification of fund information. Some best practices include:

- **Meeting documentation:** The Adaptation Fund, the CIFs and the GEF provide a clear timeframe for disclosure of Board meeting documentation before Board meetings.
- **Project proposals:** The Adaptation Fund posts project proposals on its website for public comment within a sufficient timeframe prior to Board approval. Similarly, the CIFs require that Investment Plans and Strategic Programme for Climate Resilience preparation documents be disclosed at the country level for public comment for a duration of four weeks.
- **Webcasts:** The Adaptation Fund, the GEF and the GCF live webcast their governing body meetings to enable transparency, accountability and wider stakeholder engagement. From June 2016, the GCF has also made video recordings of Board meetings available on its website for public viewing.
- **Contracts with implementing entities:** The Adaptation Fund and the GCF disclose concluded accreditation agreements on their websites. The GEF publishes all Financial Procedures Agreements, the memorandums of understanding concluded with GEF agencies, and the terms of cooperation with its three original agencies.

- **Financial statements and independent audits:** All funds disclose updated financial reports clearly on their websites.
- **Fund policies and procedures:** All funds make a number of key fund-level policies and procedures easily accessible on their websites, including:
  - zero tolerance, ethics and conflicts of interest for governing bodies
  - access to information
  - fiduciary standards

The funds also clearly present their systems or mechanisms for handling corruption and other complaints at the project level. As to complaints regarding fund staff, in the cases of the Adaptation Fund, the GEF and the CIFs, the World Bank's policies apply. This procedure is now made explicit on the GEF's website; the Adaptation Fund and the CIFs should do the same. Instructions on how to report corruption at all levels are clearly presented on the GCF's Integrity Unit's webpage.

The GCF also publishes the staff code of conduct and prevention of harassment policy on its Integrity Unit's webpage, and its procurement policy on its procurement webpage.

The CIFs and the GEF openly disclose their stakeholder engagement/public involvement policies and guidelines.

- **Implementing entities' policies and procedures:** The CIFs host specific webpages on transparency, accountability and finance where direct links are provided to the CIFs' implementing entities' policies on access to information, anti-corruption policies and hotlines, and stakeholder engagement. The Adaptation Fund's new "Accountability and Complaints" web section

(under development) aims to also provide direct links to the complaints-handling mechanisms of all its implementing entities.

**Funds measure and demonstrate policy effectiveness best regarding financial management and stakeholder engagement.**

However, all funds would benefit by better demonstrating (or even at all) that their policies and procedures, as well as those of their implementing partners, are effective. Nevertheless, some individual best practices deserve mention.

- The Adaptation Fund, the GEF and the CIFs have undergone independent evaluations which have assessed the effectiveness of their stakeholder engagement policies and practices. These reports are available on the funds' websites.
- As part of its project performance monitoring and evaluation framework, the Adaptation Fund measures and reports on the financial management, procurement and stakeholder engagement practices of implementing entities throughout project cycles. These reports are available on the Fund's website.
- The CIFs also measure stakeholder engagement in project reports and evaluations and have implemented a risk management framework to facilitate the identification, assessment, monitoring and reporting of key risk exposures.
- The GEF's "Conflict Resolution" webpage lists complaints reviewed by the Commissioner, and their outcomes. The Adaptation Fund is endeavouring to provide similar information on its "Accountability and Complaints" webpage.

## BETTER PRACTICE RECOMMENDATIONS

While all funds demonstrate numerous best practices, all could also benefit from having strengthened policies and practices to ensure greater transparency, and to better demonstrate their effectiveness. Drawing from this assessment, the following recommendations are suggested for consideration.

While all funds value transparency, the funds which have not already done so should ensure the following:

- That stakeholders can easily access the core transparency, accountability and integrity policies and procedures of the funds and their implementing entities on their websites. That information is proactively shared and communicated to beneficiaries, affected communities and other stakeholders by the funds and the implementing entities.
- That implementing entities have access to information about policies in place, inclusive of an information request and appeals function.
- That the following documents are publicly available and easily accessible (even if in a redacted form to avoid confidentiality breaches), preferably on or linked to the funds' websites:
  - legal agreements with implementing entities, and the contracts between implementing entities and their contractors or executing entities which stipulate their transparency, accountability and integrity obligations and sanctions
  - up-to-date, independent audit reports of their implementing entities and projects, which demonstrate the effectiveness of financial management
- That reasons for not disclosing information or for restricting participation of observers at executive and committee meetings are clearly and publicly explained.

Regarding stakeholder engagement, the funds would benefit from learning from each other on how to ensure effective participation of observers at fund meetings. Funds should advance ways to:

- allow stakeholders to contribute interactively in timely and relevant ways in Board meeting discussions
- install clear procedures for soliciting and taking into account inputs from stakeholders on fund policies, project proposals, accountability and monitoring actions (such as accreditation, reaccreditation, policy and compliance reviews).

All funds should regularly monitor, report and evaluate the effectiveness of their transparency, accountability and integrity policies, with a view to improving over time. This includes the same with regard to their implementing entities. The funds should develop clear reporting standards and indicators for each policy area which are built into project monitoring frameworks and which are assessed regularly throughout project implementation. Standards and indicators related to the following areas should be included:

- ethics and conflicts of interest, including reports regarding the number and type of cases recorded, reviewed and resolved
- procurement policies, encompassing information which demonstrates that procurement processes are conducted transparently and fairly, including best value for money choices
- money laundering preventative or corrective actions, such as the type, quantity and quality of due diligence actions undertaken
- transparency, including information disclosure practices with regard to the accuracy, completeness, reliability, coherence and timeliness of disclosed information, non-disclosure practices (such as reviewing justifications for non-disclosure in light of public interest and right to know), and information requests and appeals (number, type and resolutions)
- sanctions policies, involving the number and type of sanctions or penalties determined and enforced by the funds, as well as any appeals procedures followed, and the overall impact achieved.



Following up on the decisions<sup>4</sup> taken by the governing bodies of all funds to foster collaboration on policy and operational levels, the funds should strive to learn from each other's best practices as underscored above, and to advance their own. The funds should ensure similar cooperation and learning exchanges among implementing entities and relevant national-level authorities. Specific areas where cooperation would be useful include:

- developing and carrying out training on accountability and integrity policy implementation, in particular ethics and conflicts of interest, procurement safeguards, anti-money laundering due diligence, complaints-handling functions, and independent investigatory functions
- advancing and mainstreaming monitoring, reporting and evaluation standards and processes so that the effectiveness of transparency, accountability and integrity policies and procedures is sufficiently demonstrated
- supporting viable methods to engage stakeholders in various capacities (awareness raising/communications, capacity-building/training, monitoring, complaints-handling) throughout project cycles, such as the Stakeholder Advisory Network initiated by the CIFs.

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# INTRODUCTION

**Over the past seven years, Transparency International has been contributing to policy debates on how to promote transparency and accountability and to minimise corruption in global and national policies to address climate change.**

In 2011, Transparency International published the Global Corruption Report on Climate Change, which underscored that corruption would jeopardise “the unprecedented international cooperation, deep economic transformation and resource transfers at a significant scale” demanded by the global response to climate change.<sup>6</sup> In that report, climate finance was discussed largely in the context of the transparency, equity and additionality of fast start financing pledges of US\$30 billion agreed in the Copenhagen Accord.<sup>7</sup> Through the 2015 Paris Agreement, developed countries reiterated their commitment to mobilising US\$100 billion annually by 2020 and determined to sustain that momentum until 2025.<sup>8</sup> By comparison, the estimated costs of economic and infrastructural transitions needed to meet mitigation and adaptation challenges, let alone coping with disasters caused by extreme weather events, are running well into the trillions.<sup>9</sup> Public money is essential to catalyse global and national investments to safeguard the environment and people’s lives, and to avoid serious climate change.

Climate finance is being delivered through multiple channels. Multilateral trust funds serve as one main conduit – established through intergovernmental processes and partnerships over the past decade – to pool and provide the demanded support.<sup>10</sup> The funds are also delivering multiple social, environmental and financial benefits in relation to climate demands and results. By setting standards on transparency, accountability and integrity, the funds can drive transformations in strengthening the institutional governance for a multitude of financial intermediaries and beneficiaries, contributing to sustainable development in the climate changing world. Ultimately, these impacts may be appreciable in regard to increasing mitigation and adaptation effectiveness more broadly in the long run.

Given these tremendous opportunities for impact, this report examines the transparency, accountability and integrity policies, standards, procedures and practices of four multilateral institutions with significant climate finance portfolios: the Adaptation Fund, the GEF<sup>11</sup>, the CIFs<sup>12</sup> and the GCF. The report builds on a series of similar studies Transparency International has undertaken<sup>13</sup>, to provide a comparative view of the funds’ best policies and practices and to identify areas for strengthening policies and practices across all funds, with a view to promoting optimum transparency, accountability and integrity in the delivery of climate finance to achieve the most effective long- and short-term results and sustainable development benefits.

A wide range of policies are covered in this report, including access to information, financial management, anti-money laundering, procurement, ethics and conflicts of interest, complaints-handling mechanisms, whistleblower and witness protection, and stakeholder participation and engagement. In terms of both transparency and accountability, the report further assesses the extent to which the funds ease public access to the policies, standards and processes implemented by both the funds and their delivery partners. When, for example, a member of the public wishes to make a complaint or ask a question, can he or she relatively easily identify how to do that when visiting a fund’s website? Finally, the report reviews the funds’ efforts to *demonstrate* how effective their transparency, integrity and accountability policies and standards are in practice. This investigates whether the funds establish reporting requirements for themselves and for their implementing entities on these policies and standards, and whether such reports are actually produced and available. It also looks at the degree to which the effectiveness of transparency, accountability standards have been assessed in performance reviews or other evaluations of the funds. This means to flesh out whether the funds go beyond having policies in place, and requiring that policies are in place, and evaluate evidence of how the funds review whether their own policies are working in practice.

## BACKGROUND

As stated in the introduction, this report assesses the transparency, accountability and integrity policies and standards set by four major “funds” entrusted with the delivery of climate finance. It also gauges the efforts made by those funds to make those policies easily and readily accessible to the public, and the efforts the funds make to assess how effective those policies are in practice. The funds reviewed are the Adaptation

Fund, the GCF, the CIFs, which operate the Clean Technology Fund and the Strategic Climate Fund, and the GEF, which administers the Least Developed Countries Fund, the Strategic Climate Change Fund, the GEF Trust Fund and the Capacity Building Initiative for Transparency. As each of these trust funds is historically and organisationally different, it is important at the outset to provide an overview of the basic objectives, governance, composition and financing modalities of each fund.

TABLE 1: OVERVIEW OF MULTILATERAL TRUST FUNDS REVIEWED

	ADAPTATION FUND	GEF TRUST FUNDS	CIFS	GCF
<b>Date fund became operational</b>	2007	1991	2008	2015
<b>Governing body</b>	Board <sup>14</sup>	Council	Committee	Board <sup>15</sup>
<b>Volume of cumulative pledged finance to date</b>	US\$438 million	US\$17 billion <sup>16</sup>	US\$8.3 billion	US\$10.3 billion
<b>Type of finance</b>	Grants	Grants, debt, equity, guarantees	Grants, concessional loans and guarantees	Grants, concessional loans and guarantees
<b>Number and type of implementing entities</b>	43 national, regional, multilateral implementing entities	18 national, regional, multilateral and CSOs partner and project agencies	5 multilateral implementing entities	54 national, regional, multilateral accredited entities <sup>17</sup>
<b>Secretariat</b>	Adaptation Fund Secretariat	GEF Secretariat	CIF Administrative Unit	GCF Secretariat
	The World Bank hosts the secretariats of these three funds. All secretariat staff are World Bank employees.			

## Global Environment Facility

Beginning chronologically, the GEF was set up as a pilot initiative in the World Bank in 1991, and was formally re-structured and established in 1994 in a partnership between the World Bank, the United Nations Development Programme and the United Nations Environment Programme.<sup>18</sup> The GEF Trust Fund was created around the time of the Rio Summit to “help tackle our planet’s most pressing environmental problems”.<sup>19</sup> The Trust Fund supports developing countries and countries with economies in transition to meet the objectives of five international environmental treaties: the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Convention on Biological Diversity, the Stockholm Convention on Persistent Organic Pollutants, the United Nations Convention to Combat Desertification, and the Minamata Convention on Mercury.<sup>20</sup> The Least Developed Countries Fund and the Special Climate Change Fund were established in 2001 under the UNFCCC. The Least Developed Countries Fund’s resources largely support countries to develop and implement National Adaptation Programmes of Action while the Special Climate Change Fund supports adaptation and technology transfer actions.<sup>21</sup> A temporary Trust Fund for the Capacity Building Initiative on Transparency requested by the UNFCCC was established by the GEF Council in 2016. Its purpose is to strengthen “the institutional and technical capacities of developing countries to meet the enhanced transparency requirements of the Paris Agreement”.<sup>22</sup>

The GEF is governed by a 32-member Council of developed and developing country representatives who are elected by constituencies.<sup>23</sup> The World Bank serves as the GEF Trustee and also hosts the GEF Secretariat. Currently the GEF partnership includes 18 implementing agencies. Eight of these agencies became partners following an accreditation process in and after 2013. The other 10 agencies joined the partnership prior to 2010.<sup>24</sup> All agencies must comply with the GEF’s transparency, accountability and integrity standards, as reviewed in this assessment. To date, the GEF has received contributions that have supported its investment of approximately US\$14.5 billion, and leveraging additional resources of approximately US\$75.4 billion, for nearly 4,000 projects and programmes in 170 countries.<sup>25</sup> The amount of co-finance which the GEF provides varies by project. A review of 210 completed climate change-related projects reveals that GEF contributions range between US\$700,000 and US\$49.8 million, with a figure of US\$7 million per project on average.

## Climate Investment Funds

The CIFs were established in 2008 as a partnership among the multilateral development banks, including the World Bank Group. They comprise the Clean Technology Fund and the Strategic Climate Fund. The Clean Technology Fund provides concessional finance to promote “transformation in developing and emerging economies by providing resources to scale up low carbon technologies”, particularly in areas of “renewable energy, energy efficiency and clean transport.”<sup>26</sup> The Strategic Climate Fund embodies three funding programmes: the Pilot Programme for Climate Resilience, the Scaling-Up Renewable Energy in Low Income Countries Programme and the Forest Investment Program, which provide a mix of grant and other financing options. To date, the CIFs have pooled US\$8.3 billion, supporting projects in 72 developing and middle-income countries.<sup>27</sup> The projects financed are diverse, running from US\$100,000 to US\$ 200 million.<sup>28</sup> The average CIFs contribution varies according to the type of finance product afforded and the funding windows. The grant range is between US\$2.48 million and US\$9.85 million, while concessional loans provided are between US\$9 and US\$25 million.<sup>29</sup> For the Clean Technology Fund, the average grant contribution is US\$2.48 million.

Each of the Trust Funds is governed by an 18-member Trust Fund Committee composed of equal representation from contributor and recipient countries.<sup>30</sup> Additionally, the CIFs mandate the participation of 32 observers, representing civil society, indigenous peoples and the private sector, in their governing body meetings. Although observers do not have decision-making power, they can engage and contribute freely in Committee meeting deliberations. The World Bank serves as the Trustee and operates the CIFs’ Administrative Unit.<sup>31</sup> The implementing entities are the multilateral development banks. The CIFs were formed on the basis that the banks’ fiduciary standards were exemplary and should be adhered to accordingly. The CIFs’ risk management approach provides a basis to ensure compliance, as discussed in the assessment below.



## Adaptation Fund

The Adaptation Fund of the Kyoto Protocol was established as a financial instrument under the UNFCCC to finance adaptation projects and programmes in developing countries that are particularly vulnerable to the adverse effects of climate change. It is financed by voluntary contributions and also from a two per cent share of the proceeds of the Certified Emission Reductions issued under the Protocol's Clean Development Mechanism projects. By 2017, the total commitments had reached close to US\$438 million in 67 countries (see Table 1 above).

The Fund is governed by the Adaptation Fund Board, which consists of 16 members and 16 alternates representing Parties to the Kyoto Protocol. A majority of members – about 69 per cent – represent developing countries.<sup>32</sup> Its Secretariat is serviced by the GEF, which is operated by the World Bank, and its trustee is also the World Bank.<sup>33</sup> Significantly, the Fund has been pioneering “direct access” funding arrangements which allow countries a simplified and accelerated way to access and manage funds without those funds having to pass through financial intermediaries.<sup>34</sup> The Fund's implementing entities consist of national, regional and multilateral organisations which are selected through an accreditation process. This process is bolstered by a reaccreditation procedure that takes place every five years.<sup>35</sup> These processes aim to ensure that the Fund's implementing entities are complying with the Fund's fiduciary standards, transparency, accountability, integrity and other standards, including environmental and social safeguards and a gender policy, as discussed in this assessment. These entities are eligible for project and readiness grants. Project finance amounts range between approximately US\$700,000 and US\$14 million, averaging at around US\$6.7 million per grant.<sup>36</sup> Readiness assistance of between US\$10,000 and US\$50,000 is provided for South–South cooperation and technical support is provided for environment, social and gender programmes.<sup>37</sup>

## The Green Climate Fund

The GCF is an operating entity of the financial mechanism of the UNFCCC and the Paris Agreement established with the aim of assisting developing countries mitigate and adapt to climate change by promoting “a paradigm shift to low-emission and climate-resilient development, taking into account the needs of nations that are particularly vulnerable to climate change impacts.”<sup>38</sup> The GCF is “governed by a 24-member Board, comprised equally of developed and developing countries, representing the United Nations Regional Groups.”<sup>39</sup> The GCF's Secretariat is independent, and is overseen by the Board.<sup>40</sup> The World Bank is serving as the interim trustee until 30 April 2018, when a permanent trustee is to be selected.<sup>41</sup>

The GCF became operational in 2015 with pledges from countries, regions and cities totalling US\$10.3 billion.<sup>42</sup> To date the GCF has approved financing to the tune of US\$2.2 billion for 43 projects, providing a mix of grants (42%), concessional loans (39%), guarantees (1%) and equity (18%).<sup>43</sup> The projects comprise individual funding volumes as follows: micro (< US\$10 million) (12%), small (US\$10–50 million) (35%), medium (US\$ 50–250 million) (37%) and large (>US\$ 250 million) (16%). To access GCF project financing, any organisation – private, public or other non-governmental entities – must be accredited. Accreditation requires that applicant entities comply with the GCF's standards.<sup>44</sup> As at June 2017, the GCF had accredited 48 diverse entities, of which 23 are direct access national or regional organisations.<sup>45</sup>

In addition to project support, the GCF also provides readiness grants and technical assistance. As at June 2017, the GCF had approved 115 readiness requests for 85 countries, totalling US\$37.2 million.<sup>46</sup> National Designated Authorities<sup>47</sup> are eligible to apply for readiness resources to strengthen their institutional capacities and direct access entities “to efficiently engage with the Fund.” Funding is capped at US\$1 million per year per country. In addition, up to US\$3 million annually may be provided to help countries formulate adaptation plans.<sup>48</sup>

## METHODOLOGY

This assessment report examines the transparency, accountability and integrity policies, standards, procedures and practices of four institutions which operate multilateral trust funds which wholly or partially provide climate finance for climate change mitigation and adaptation actions. The institutions and partnerships assessed are the Adaptation Fund, the GEF, the CIFs and the GCF. The purpose is to draw out best practices and identify areas for strengthening across all funds with a view to promoting optimum transparency, accountability and integrity in the delivery of climate finance to achieve the most effective long- and short-term results and sustainable development benefits.

The assessment is based on sets of criteria defining transparency, accountability and integrity safeguards applied in Transparency International's 2014 protecting climate finance anti-corruption assessment series.<sup>49</sup> It builds on the findings of those assessments regarding the Adaptation Fund, the CIFs and the GEF, and the subsequent more recent 2017 progress reports concerning each of those funds which reviewed what progress had been achieved following Transparency International's 2014 recommendations. Unlike those other reports, this assessment also assesses the GCF and provides a comparative view of the policies and practices operated and espoused by the funds.

The assessment examines what transparency, integrity and accountability policies each fund has in place regarding its own institutional governance and what standards each fund applies to its finance delivery or project implementing partners. The integrity policies reviewed include those covering ethics and conflicts of interest, financial management, reporting and audits, procurement and anti-money laundering. Accountability policies cover complaints-handling mechanisms, with a focus on anti-corruption hotlines and including whistleblower and witness protection. They also encompass appeal procedures, sanctions and stakeholder engagement.

The assessment of transparency policies concentrates on core elements of information disclosure, including procedures to request information and appeal non-disclosure decisions. The transparency review examines how easy it is to access key governance information, policies, and procedures – of both the funds and their implementing entities – on the funds' websites. Finally, the assessment studies the extent to which the funds demonstrate the effectiveness of their fiduciary standards at both institutional and operational levels.

The assessment is presented in a table format which breaks down each policy and practice area into concrete standards. Each fund's policies are evaluated according to seven different markings, as explained in Table 2 below. The evaluation mark is based on a review of information publicly available on each fund's website. The secretariats of each of the funds assessed were consulted on the initial and final drafts of the study and were given the opportunity to provide comments and request clarifications. As far as possible, all comments were discussed and addressed accordingly. The report was further reviewed by Transparency International national chapters in Bangladesh, Kenya, South Korea, Nepal, Maldives, Mexico, Peru, and Rwanda, and also underwent a peer review by Bessy Liliana Bendaña of the Honduran Association of Small Producers of Renewable Energy. In the final stages, an independent review was undertaken by Romain Weikmans, a Postdoctoral Research Fellow at the Centre for Studies on Sustainable Development, Université Libre de Bruxelles, to ensure the objectivity of the analysis and the results.<sup>50</sup> Feedback received through these processes was also taken on board and is reflected in the final publication. As far as possible, information sources, including web links, are provided to substantiate the findings. All information presented was last reviewed in October 2017.

TABLE 2: ASSESSMENT CRITERIA EXPLANATIONS

MARK	
✓	A specific policy or policy provision exists and is publicly available on the fund's website.
✗	A specific policy or equivalent practice has not been adopted or put to agenda for adoption. Regarding disclosure, the policy could not be accessed on the fund's website.
<b>partial</b>	A specific policy does not exist but other fund policies may partially address the indicator. Regarding disclosure, the partial rating means that some but not all documents are publicly disclosed or could be located on a fund's website.
<b>embedded</b>	A specific policy is disclosed on the fund's website but it is not easily accessible. Usually, this means the policy or documentation is embedded as a meeting decision, report or other document which would be difficult to locate for lay stakeholders.
<b>developing</b>	A specific policy does not yet exist but is being developed pursuant to a decision or instruction by the fund's governing body.
<b>n/s (not specified)</b>	The specific policy provision is not clearly stated in the fund's policy. However, the policy may be read as meeting the indicator. Clarification is needed in this case.
<b>n/a (not applicable)</b>	The indicator addressed is not applicable to the fund given its governance structure or due to some other significant reason.

# INTEGRITY POLICIES AND STANDARDS

This section reviews the integrity policies of the funds. These are the policies which set standards for behaviours and actions as safeguards to prevent against corruption, fraud and other abuses and integrity infractions. It covers ethics and conflicts of interest, financial management and auditing, procurement, and anti-money laundering. Table 3 below illustrates the specific policies each fund has in place to ensure integrity.

TABLE 3: INTEGRITY POLICIES AND STANDARDS OF CLIMATE FUNDS

	AF <sup>51</sup>	GEF	CIFS	GCF
<b>At the fund level, the following policies are in place:</b>				
Ethics and conflict of interest policy, which covers:				
• governing body members	✓ <sup>52</sup>	✓ <sup>53</sup>	✓ <sup>54</sup>	✓ <sup>55</sup>
• advisers of governing body members <sup>56</sup>	n/s <sup>57</sup>	✓ <sup>58</sup>	n/s <sup>59</sup>	✓ <sup>60</sup>
• secretariat management, staff, consultants	✓ <sup>61</sup>	✓ <sup>62</sup>	✓ <sup>63</sup>	✓ <sup>64</sup>
• technical, external experts	✓ <sup>65</sup>	✓ <sup>66</sup>	✓ <sup>67</sup>	✓ <sup>68</sup>
• observers <sup>69</sup>	x <sup>70</sup>	partial <sup>71</sup>	✓ <sup>72</sup>	partial, developing <sup>73</sup>
• a procedure for reviewing policy violations	✓	✓	✓	✓
• sanctions for policy violations, including enforcement	✓	✓	✓	✓
• the prohibition of gift receiving by covered persons, with exceptions	partial <sup>74</sup>	✓	✓	✓
• a requirement that gifts be reported and the maintenance of a gift registry <sup>75</sup>	partial	✓	✓	✓
• integrity training for covered persons <sup>76</sup>	partial	partial	partial	developing
• a requirement that covered persons disclose their interests	✓	✓	✓	✓
Financial management, reporting and audit <sup>77</sup>	✓ <sup>78</sup>	✓ <sup>79</sup>	✓ <sup>80</sup>	✓ <sup>81</sup>



AT THE FUND LEVEL, THE FOLLOWING POLICIES ARE IN PLACE:	AF <sup>51</sup>	GEF	CIFS	GCF
Fair and transparent procurement processes <sup>82</sup>	✓	✓	✓	✓
Anti-money laundering, due diligence policy <sup>83</sup>	✓	✓	✓	developing
<b>The fund requires that its implementing entities have the following policies in place:</b>				
• ethics and conflict of interest	✓ <sup>84</sup>	✓ <sup>85</sup>	✓ <sup>86</sup>	✓ <sup>87</sup>
• financial management, reporting and audit	✓ <sup>88</sup>	✓ <sup>89</sup>	✓ <sup>90</sup>	✓ <sup>91</sup>
• fair and transparent procurement processes	✓ <sup>92</sup>	✓ <sup>93</sup>	✓ <sup>94</sup>	✓ <sup>95</sup>
• anti-money laundering due diligence policy	partial <sup>96</sup>	partial <sup>97</sup>	✓ <sup>98</sup>	✓ <sup>99</sup>

## ETHICS AND CONFLICTS OF INTEREST

Ensuring that top-level decision-making bodies set and adhere to high standards of integrity is important for institutional leadership and credibility. All funds have adopted zero tolerance of corruption policies. Climate funds strive to set the “tone at the top” on integrity. The Adaptation Fund, the CIFS, the GEF and the GCF pronounce clear ethics and conflict of interest rules. These apply to Board members as well as technical or external experts, secretariat staff and consultants. The GCF and the GEF specifically include Board advisers under those policies, while the CIFS bind persons participating as observers to their code of conduct. All ethics and conflicts of interest policies reviewed require that covered persons disclose their interests. The funds also provide for a procedure to review policy violations and to impose penalties or sanctions in cases of breach. Additionally, as a best practice, the CIFS’ and the GCF’s policies clearly set requirements for gifts to be reported and registered formally.

One area where all funds could develop better practice is ethics training. Conflicts of interest can happen at all levels and may be difficult to identify and assess. Given the varying cultural differences and professional maturity of the diverse range of actors likely to be covered by the funds’ policies, the funds would benefit from introducing advisory and capacity-building support. While no specific training modules could be found, the World Bank staff working for the secretariats of the Adaptation Fund, the GEF and the CIFS explain that they must undergo ethics training as a part of the normal employment arrangements at the World Bank. The GCF’s Independent Integrity Unit includes in its work plan the development of training on integrity standards, which can serve as a positive contribution in this space.

## FIDUCIARY SAFEGUARDS

Regarding financial management and reporting, independent audits and fair and transparent procurement processes, each of the funds maintains robust policies. The Adaptation Fund, the GEF and the CIFS abide by the World Bank’s anti-money laundering policies and the GCF is developing its own rules this year. While the anti-money laundering policies of each fund could not be assessed for the purposes of this assessment, as far as possible the compliance standards should reflect international best practices, such as those recommended by the Financial Action Task Force (see <http://www.fatf-gafi.org/>).

In terms of standards applicable to implementing entities, all funds have set comprehensive requirements in areas of ethics, finance and procurement. Any entity wanting to access support must meet these criteria. On anti-money laundering rules, guidance across the funds varies. The multilateral development banks, which are implementing entities of the CIFS, all have advanced anti-money laundering standards and due diligence procedures in place. The GCF, which has a wider range and number of implementing entities, has introduced the anti-money laundering standards in its accreditation requirements. The Adaptation Fund and the GEF do not make this requirement explicit but appear to be moving in that direction.

# ACCOUNTABILITY POLICIES AND STANDARDS

This part of the assessment looks at the accountability policies, procedures and standards set and applied by the climate funds – applicable to the funds themselves and to their implementing entities. These directives describe the ways and means which enable fund actors and third parties to call into question, hold answerable, monitor and otherwise contribute to the development of the funds’ and related decisions, behaviours and actions. Constituting the accountability framework, the complaints- handling/anti-corruption hotlines, appeals mechanisms, sanctions and stakeholder engagement policies are examined in Table 4 below.

TABLE 4: ACCOUNTABILITY POLICIES AND STANDARDS OF CLIMATE FUNDS

	AF	GEF	CIFS	GCF
<b>At the fund level, the following policies are in place:</b>				
Complaints-handling mechanism <sup>100</sup> or anti-corruption hotline policy <sup>101</sup> , which includes:	✓ <sup>102</sup>	✓ <sup>103</sup>	✓ <sup>104</sup>	✓ <sup>105</sup>
• an explanation of the types of complaints which can be submitted	✓	✓	✓	✓
• an explanation of who can submit complaints	✓	✓	✓	✓
• an independent process for reviewing and investigating complaints	partial	partial	✓	✓
• a clear timeframe for responding to complaints <sup>106</sup>	✓	✓	✓	developing
• whistleblower and witness protection against retaliation	partial	✓	✓	partial/developing
• confidentiality of complainant	✓	✓	✓	✓
• anonymity of complainant	partial	✓	✓	developing
• a stakeholder outreach and communications programme	✗	✓	partial	partial/developing
• a training programme for fund actors and stakeholders	partial	partial/developing	partial	developing

	AF	GEF	CIFS	GCF
Policy for appealing/requesting explanations of governing body decisions	✗ <sup>107</sup>	✗ <sup>108</sup>	✗ <sup>109</sup>	✓ <sup>110</sup>
Sanctions procedure and policy <sup>111</sup> regarding implementing entities for corruption or fraud, which can include:	✓ <sup>112</sup>	✓ <sup>113</sup>	✓ <sup>114</sup>	✓ <sup>115</sup>
• repayment of funds lost to corruption	✓	✗	✗	✓
• suspension of finance	✓	partial	✓	✓
• cancellation of finance/project	✓	✓	✓	✓
• suspension of accreditation	✓	n/a, ✗	n/a	✓
• disaccreditation	✓	n/a, ✗	n/a	✓
Stakeholder engagement policy <sup>116</sup>	partial <sup>117</sup>	✓ <sup>118</sup>	✓ <sup>119</sup>	partial <sup>120</sup>
• that permits observers to participate at governing body meetings	✓	✓	✓	✓
• that permits observers to provide input, raise questions and agenda items and engage interactively at governing body meetings	partial	partial/ developing	✓	partial
• provides resources to enable observer participation in governing body meetings	✗	✓	✓	developing
• facilitates or supports country-level stakeholder engagement	✓	✓	✓	✓
• enables clear processes to solicit and take account of stakeholder inputs to project proposals	✓	✓	✓	partial
• enables clear processes to solicit and take account of stakeholder inputs to the accreditation and reaccreditation process	partial	partial	n/a	partial
<b>The fund requires that its implementing entities have the following policies in place:</b>				
• complaints-handling mechanism or anti-corruption hotline <sup>121</sup>	✓	✓	✓	✓
• independent investigatory functions <sup>122</sup>	partial	✓	✓	✓
• whistleblower and witness protection for staff and non-staff <sup>123</sup>	✓	partial	✓	partial
• sanctions policy for corruption or fraud	✓ <sup>124</sup>	✓ <sup>125</sup>	✓ <sup>126</sup>	✓ <sup>127</sup>
• inclusive, full project cycle stakeholder engagement <sup>128</sup>	✓ <sup>129</sup>	✓ <sup>130</sup>	✓ <sup>131</sup>	partial <sup>132</sup>

## ANTI-CORRUPTION HOTLINES/ COMPLAINTS-HANDLING MECHANISMS

Corruption, fraud and other destabilising misconduct often occurs behind closed doors. Detecting such abuses requires that people can report them in confidence and without fear of retaliation. Effective complaints-handling provides an early warning system that can help to locate wrongdoing swiftly and to identify risk areas that require enhanced attention and preventative measures. All of the funds have complaints-handling policies and procedures in place. These share common features but the funds are also adopting different approaches which deserve special consideration.

At the outset it should be clear that as the secretariats of the CIFs, the Adaptation Fund and the GEF are all operated by the World Bank, the World Bank's procedures apply to complaints by, and concerning, the staff. Third parties who believe that the secretariat staff are acting corruptly, for example, can bring their disclosure to the Bank's Integrity Vice Presidency. The Bank's policies are comprehensive in explaining who and what type of complaints or reports may be submitted, in providing an independent investigative function, in clarifying procedural and response timeframes, and in providing whistleblower and witness protection, including confidentiality and anonymity. Allowing for anonymity affords an extra level of security to enable would-be complainants to come forward. While the GCF is expected to adopt a similar policy, its Independent Integrity Unit has been addressing integrity concerns since it became operational, and it provides guidance on reporting prohibited practices.

The Adaptation Fund and the GEF also operate complaints-handling mechanisms for fund-wide project-related grievances. Both provide very clear instructions regarding who can submit complaints and what can be expected in terms of responses. The GEF provides confidentiality and anonymity to protect whistleblowers and witnesses. Neither fund has an investigatory function but if necessary the funds can hire such services to conduct investigations – particularly around corruption allegations. The independence of the Adaptation Fund's Ad Hoc Complaints-Handling Function is protected as it is operated under the responsibility of the Secretariat's Manager, who is appointed by and reports to the Board on this matter. The Board's Ethics and Finance Committee also oversees this function. By contrast, the GEF's Conflict Resolution Commissioner reports to the GEF's Chief Executive Officer. To provide greater assurance of independence, the Commissioner should report directly to the Board. The establishment of the

Council's Ethics Committee in 2017 could provide an opportunity for this improvement.

*All funds seek to ensure that their implementing entities have effective anti-corruption hotlines.* The GEF, CIFs and GCF stipulate that their partners also have *independent* investigative functions, while the Adaptation Fund ensures that implementing entities also provide whistleblower protection for non-staff reporters. All of the CIFs' implementing entities also extend whistleblowing protections to anyone who discloses integrity violations.

All funds could benefit from investing in stakeholder outreach and training programmes to increase the effectiveness of their anti-corruption hotlines. Helping people understand how, why and in what circumstances to speak out against wrongdoing is an essential part of any well-intended institutional integrity framework. The GEF is developing an improved stakeholder engagement policy which may require stakeholder outreach, communications and training programmes for fund and non-fund actors, to support effective complaints-handling operations and results. Meanwhile, the GCF's Independent Integrity Unit is developing a work programme which includes training and capacity building for a wide range of fund actors, giving special attention to implementing entities. As these initiatives evolve, it will be useful for the funds and their partners to seek opportunities for collaboration and cross-learning.

## APPEALS MECHANISMS

*The governing bodies of all funds strive to ensure fair and accountable decision-making by voting by consensus.* However additionally, the GCF provides rules and procedures for appealing and requesting explanations concerning Board decisions. The value of this procedure stems from past experiences across all funds where projects may not have been selected or approved, for reasons that were not entirely transparent. In some cases, projects may not have been presented well or proposals may have missed critical information – the absence of which caused the project to be rejected. The appeals procedure therefore allows decisions to be called into question, reviewed afresh and/or explained clearly as a matter of both accountability and integrity.



## SANCTIONS

*All funds have determined a menu of sanctions which may be imposed when implementing entities violate integrity standards or fail to prevent and mitigate corruption or fraud downstream.* The Adaptation Fund and the GCF provide the most comprehensive sanctions policies in relation to events of corruption or fraud by or “under the watch of” their implementing entities. Enforceable penalties include: suspension of finance, project cancellation, repayment of funds lost to corruption, suspension of accreditation and disaccreditation. The CIFs and the GEF do not impose a legal obligation on implementing entities to refund project money lost to corruption. The GCF has somewhat accomplished this by introducing it as a provision in its Accreditation Master Agreement template. However, the provision itself limits the refund to only recoverable sums. It also may relieve implementing entities of any liability so long as they demonstrate that they have taken “timely and appropriate action satisfactory to the Fund to address such Prohibited Practices when they occur”.<sup>133</sup> As far as possible, the funds should pursue sanctions which effectively achieve deterrence of wrongdoing. The rationale for imposing this repayment penalty is partly to create a financial incentive for entities to take effective preventative measures and partly to pass on liabilities, contractually, to their executing entities (or subcontractors).

## STAKEHOLDER ENGAGEMENT

Consulting stakeholders is a cornerstone of all of the funds. They share an implicit recognition that people participation is critical to the success of global efforts to combat serious climate change. Working with various stakeholders, including civil society, indigenous peoples and the private sector, the funds aim to *nurture country-level partnerships and cooperation to make climate finance work*. At best, they require that their implementing partners consult stakeholders throughout the full project cycle.

The GEF conducts regular sub-regional workshops which aim to bring its implementing partners, government actors and stakeholders together to discuss topical issues and to foster strengthened cooperation and coordination. The Adaptation Fund conducts similar meetings to build capacities to strengthen project delivery. The CIFs conduct regular Pilot Country Meetings and an annual programme meeting on forest investment and climate resilience. They have organised larger partnership forums aimed

at advancing common goals and have recently launched a Stakeholder Advisory Network initiative to support stakeholder partnerships to advise, monitor and contribute to the effectiveness of climate finance actions. Although it is a new fund, the GCF has also started reaching out in similar ways. As a part of its readiness programme, the GCF is supporting countries to develop stakeholder engagement plans.

While all of these efforts signal good advances, stakeholder engagement remains challenging in many areas and situations in the world where both the space and resources for robust civil society participation are shrinking. However, the role of all members of society is crucial in order to address the serious global environmental challenges. The continued willingness on the part of the funds to integrate and support stakeholder engagement for better policy and project (full cycle) implementation will be critical to achieving the funds’ objectives.

*All funds permit some level of stakeholder participation in their governing body meetings.* The CIFs provide the best model, in inviting observer representatives from civil society, private sector and indigenous peoples groups from developed countries and from developing countries encompassing three regions: Latin America, Africa and Asia-Pacific. Each observer has a seat “at the table” and can intervene and engage freely in Committee discussions at any time when called on to speak. This allows observer inputs to be timely, reactive and more relevant to issues, in contrast to the practice whereby observers are permitted only to speak after the Board has finished its deliberations on agenda items. The GEF is reviewing its policies regarding civil society engagement and may also permit more active participation of observers at Council meetings. In terms of financial support, the CIFs and the GEF cover the travel costs for developing country observers to participate in Committee meetings. However, neither fund provides financial assistance to observers from developed countries, which remains highly problematic.

Drawing on these best practices and advances, the funds would benefit from learning from each other on how to ensure effective participation of observers at fund meetings, how to best solicit and consider inputs from stakeholders on fund policies, project proposals, accountability and monitoring actions (such as accreditation, reaccreditation, policy and compliance reviews), and how to engage stakeholders consistently at the country level throughout project cycles.

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# TRANSPARENCY POLICIES, STANDARDS AND PRACTICES

**As introduced above, this section of the assessment reviews the transparency policies and standards set by climate funds in terms of what and how information is to be disclosed by the funds and their implementing entities.**

Importantly, also examined here are what policies and information the funds disclose in practice on their websites, in ways and formats that are easily accessible to stakeholders who may not be intimately familiar with the history and logic of each fund. The particular focus in this assessment is on policies and information that relate to the funds' governance in relation to the accountability and integrity policies and standards discussed in previous sections. Table 5 below lists and assesses a set of non-exclusive indicators for this purpose.

## TRANSPARENCY POLICIES AND STANDARDS

Overall, the assessment underscores that all *funds are committed to transparency principles*. They have adopted clear and comprehensive policies on access to information and demand superior levels of transparency from their implementing agencies. Key elements of all fund policies include a basic presumption of disclosure of information, clear exception lists regarding information which may not be disclosed, processes for handling information requests and appeals for non-disclosure decisions, and timeframes for declassification of fund information.

As summarised in Table 5, a number of best practices emerge. The Adaptation Fund, the CIFs and the GEF provide set timeframes for disclosure of Board meeting documentation before Board meetings. The Adaptation Fund posts project proposals on its website for public comment within a sufficient timeframe prior to Board approval. The Adaptation Fund, the GEF and the GCF all webcast their Board meetings, which limits unnecessary travel, saves financial and environmental costs and enables wider participation. However, the GCF and the GEF also archive video recordings of their governing body meetings. Currently, video recordings of GEF Council meetings in 2016 and 2017 can be

viewed on the GEF YouTube channel. Since 2015, the GCF has provided a "video on demand" section on its website, presenting Board meeting recordings in agenda item segments. This participation-friendly move allows stakeholders to view the meeting discussions according to topics and despite time differences.

Despite this advance, one drawback is that the GCF's Board frequently opts to close off its meetings, defeating the transparency purpose. As Board members are public officials determining how public money should be spent to save global public goods, the GCF, as well as other climate funds, should be open to public engagement and scrutiny. Also for this reason, the funds' policies which permit closed meetings should be employed only when necessary: for example, to protect the confidentiality of certain information or individuals. When they decide to restrict meeting participation or to not disclose certain information, the funds' governing bodies should provide the reasons for doing so to the public.

Regarding transparency standards for implementing entities, the main indicator assessed is whether the funds require that entities have an information disclosure policy in place. Clearly, all funds require that entities report on project implementation and finances. However, a full information disclosure policy should provide guidance on what information should or should not be disclosed (at least in terms of principles). It should also provide procedures for requesting information and appealing against non-disclosure decisions. These specific attributes seem to be missing in what the funds require of their implementers. The clear exception to this is the CIFs, as all of the multilateral development banks have substantial access to information policies. Implementing entities have access to information policies that are replete with requests and appeals functions.

**TABLE 5: TRANSPARENCY POLICIES, STANDARDS AND PRACTICES**

	AF	GEF	CIFS	GCF
Fund-level information disclosure policy has been adopted which:	✓ <sup>134</sup>	✓ <sup>135</sup>	✓ <sup>136</sup>	✓ <sup>137</sup>
• is based on the presumption of disclosure of information and applies the “no harm” rule	✓	✓	✓	✓
• provides a clear list of exceptions for information that may not be disclosed	✓	✓	✓	✓
• requires that reasons for non-disclosure of information be explained to the public	✗	✗	partial	✗
• provides a process for accepting information requests	✓	✓	✓	✓
• provides an appeals process for non-disclosure decisions	✓	✓	✓	✓
• provides a timeframe for declassification of fund information	✓	✓	✓	✓
• provides a timeframe for disclosure of Board meeting documentation before and after Board meetings	✓	✓	✓	✓
• discloses project proposals for public comment within a sufficient timeframe prior to governing body approval <sup>138</sup>	✓	✓	✓	partial
• permits webcasting of its governing body meetings	✓	✓	✗	✓
• enables archiving of webcasts	✗	✓	✗	✓
• permits closed sessions of its governing body and its committees	✓	✓	✓	✓
• requires that reasons for meetings being closed are explained to the public <sup>139</sup>	✗	✗	partial	✗
• discloses contracts with implementing entities	✓	✓	✓	partial
• discloses independent financial audits	✓ <sup>140</sup>	✓ <sup>141</sup>	✓ <sup>142</sup>	✓ <sup>143</sup>
<b>The following fund-level policies and information are easily accessible on or through the fund’s website:</b>				
• the fund’s ethics and conflict of interest policies for its governing body, advisers, and experts	✓ <sup>144</sup>	✓ <sup>145</sup>	✓ <sup>146</sup>	✓ <sup>147</sup>
• the ethics and conflict of interest policy applicable to the fund’s secretariat staff and consultants <sup>148</sup>	embedded	✓	embedded	✓
• the ethics and conflict of interest policy applicable to observers	n/a <sup>149</sup>	n/a, embedded <sup>150</sup>	✓ <sup>151</sup>	partial <sup>152</sup>

	AF	GEF	CIFS	GCF
• disclosure of interest statements by governing body members, their advisers, and other (technical) experts <sup>153</sup>	✗	✗	✗	✗
• disclosure of the fund's gifts registry <sup>154</sup>	✗	developing	✗	✗
• the fund's institutional financial management, reporting and audit policy <sup>155</sup>	✓	embedded	✓	embedded
• the fund's institutional procurement policy <sup>156</sup>	embedded	embedded	embedded	✓
• the fund's institutional anti-money laundering policy <sup>157</sup>	embedded	n/a, embedded	embedded	developing
• information disclosure	partial/ embedded <sup>158</sup>	partial/ embedded <sup>159</sup>	✓ <sup>160</sup>	✓ <sup>161</sup>
• anti-corruption hotline/corruption complaints-handling hotline concerning fund projects and operations	✓ <sup>162</sup>	✓ <sup>163</sup>	✓ <sup>164</sup>	✓ <sup>165</sup>
• complaints-handling mechanism or anti-corruption hotline concerning the fund's secretariat <sup>166</sup>	✗	✓	✗	✓
• sanctions and penalties for corruption or fraud <sup>167</sup>	embedded	embedded	embedded	embedded
• stakeholder engagement (fund level) <sup>168</sup>	partial/ embedded	✓	✓	✓
Fund requires implementing entities to have an information disclosure policy <sup>169</sup>	partial	partial	✓	partial
<b>The following policies and information of the fund's implementing entities are easily accessible on or through the fund's website:<sup>170</sup></b>				
• ethics and conflict of interest policy	✗	partial/ embedded	✗	✗
• financial management, reporting and audit policy	✗	partial/ embedded	✗	✗
• procurement policy to ensure fair and transparent procurement processes	✗	partial/ embedded	✗	✗
• anti-money laundering, due diligence policy	✗	partial/ embedded	✗	✗
• information disclosure, transparency policy	✗	partial/ embedded	✓	✗
• complaints-handling mechanism or anti-corruption hotline	✓	partial	✓	✗
• sanctions and penalties for corruption or fraud	✗	✗	partial	✗
• stakeholder engagement	✗	embedded	✓	✗

## POLICY TRANSPARENCY

In Table 5 above, the policy and key governance information disclosure practices of the funds were reviewed. This section summarises the results of that review, which were largely disparate – suggesting much room for improvement. In the majority of cases, the funds do disclose key transparency, accountability and integrity policies, but this is often buried in sets of meeting documents which are difficult to find unless one knows the policy date and title.

Nevertheless, a number of best practices can be observed and may serve as models for other funds. The Adaptation Fund clearly presents its Open Information Policy, the Board's Code of Conduct, and the Fund's zero tolerance of corruption policy. The GEF clearly publishes its Public Involvement Policy. The GCF provides clear access to its Comprehensive Information Disclosure Policy and Administrative Guidelines on Procurement. Regarding open contracting, the Adaptation Fund and the GCF disclose all of their accreditation agreements with their implementing entities and the GEF publishes its Financial Procedures Agreements.

Two areas where all funds excel are on the timely disclosure of independent financial audit reports and on how to report, and how to file complaints about, corruption in fund-related activities and projects. On financial reporting, all funds provide their most recent audits, except for the GEF, whose most recent report was from 2012. Anti-corruption hotline information is easily accessible and clearly explained by all funds on their websites. However, even on this point, the Adaptation Fund, the GEF and the CIFs omit to explain that stakeholders could make use of the World Bank's Integrity Vice Presidency should they wish to make a report about the secretariat staff of those funds.

In terms of blanket non-disclosure, the funds are reluctant to release the (conflicts of) interest declarations made by persons required to do so under their conflict of interest policies. Equally, the funds do not make public their gift registries. In the case of the GCF, this would mean publishing the list of any gifts or entertainment valued at over US\$50 that Board members have received (but were too embarrassed to give back).

With respect to implementing entities, the funds could do better in communicating what their actual transparency, accountability and integrity rules and procedures are. Given the effort the funds undertake to accredit and ensure compliance to their fiduciary standards, taking the additional step of making the entities' respective policies and procedures publicly available on the fund websites would seem relatively straightforward. The key policies and information which should be readily available would ideally include, as indicated in Table 5, policies on ethics and conflict of interest, financial management, reporting and audits, procurement, anti-money laundering and due diligence, information disclosure, complaints handling and reporting corruption, sanctions and penalties for corruption or fraud, and stakeholder engagement. Supplemental to these policies, annual or project-independent audit reports and legal agreements with subcontractors or executing entities which stipulate transparency, accountability and integrity obligations (even if in a redacted form, to avoid confidentiality breaches) should also be made easily available. That effort would be highly appreciated by a wide range of stakeholders who would otherwise have to deduce the knowledge management logic of each entity and search for documents which may also be heavily embedded and presented in different languages.

The CIFs provide a best practice example in this regard. The CIFs were the first to set up specific webpages on transparency and accountability, stakeholder engagement and finance (management, reporting and audit). On these easily discernible spaces on the funds' website, direct links are provided to the anti-corruption and integrity, access to information, complaints-handling and stakeholder engagement policies and programmes of each multilateral development bank partner. This simple but important effort helps stakeholders to navigate their way through a myriad of complex information sources and to directly access key procedures. The GEF and the Adaptation Fund are also making progress in sharing links to the anti-corruption hotlines of their delivery partners. The GCF should also consider making inroads on this area. The GCF's Entity Directory web portal, for example, could provide a good space to present such information in a clear and coherent way.



# HOW THE FUNDS DEMONSTRATE THEIR POLICY EFFECTIVENESS

As the above sections show, all funds have in place a wide range of transparency, accountability and integrity policies and standards. Here, the extent to which the funds undertake to demonstrate the effectiveness of those policies and standards is assessed. This section looks at whether the funds, as a matter of policy, mandate that effectiveness reviews be conducted, including regular monitoring, reporting and evaluation actions. It also examines whether such reviews or actions have actually been performed and whether evidence to this end is publicly available (in other words, demonstrated).

TABLE 6: EFFECTIVENESS OF INTEGRITY AND ACCOUNTABILITY POLICIES

	AF	GEF	CIFS	GCF
<b>The effectiveness of fund-level policies is demonstrated by regular monitoring, reporting and evaluation actions concerning:</b>				
• information disclosure, transparency <sup>171</sup>	partial	partial	partial	developing
• ethics and conflicts of interest <sup>172</sup>	partial	developing	developing	partial
• financial management, reporting and audit <sup>173</sup>	✓ <sup>174</sup>	partial <sup>175</sup>	✓ <sup>176</sup>	✓ <sup>177</sup>
• fair and transparent procurement processes <sup>178</sup>	partial	✗	✗	partial
• anti-money laundering, due diligence policy <sup>179</sup>	✗	✗	✗	developing
• complaints-handling mechanism or anti-corruption hotline <sup>180</sup>	partial/ developing <sup>181</sup>	✓ <sup>182</sup>	✓ <sup>183</sup>	developing <sup>184</sup>
• sanctions and penalties for corruption or fraud <sup>185</sup>	✗	✗	✗	developing
• stakeholder engagement <sup>186</sup>	✓ <sup>187</sup>	✓ <sup>188</sup>	✓ <sup>189</sup>	developing <sup>190</sup>
The effectiveness of implementing entities' policies is demonstrated through regularly monitoring, reporting and evaluations on: <sup>191</sup>	(overall) <sup>192</sup>	(overall) <sup>193</sup>	(overall) <sup>194</sup>	(overall) <sup>195</sup>
• information disclosure, transparency <sup>196</sup>	partial	partial	partial	developing
• ethics and conflicts of interest <sup>197</sup>	✗	✗	developing	developing
• financial management, reporting and audit <sup>198</sup>	✓	✗	developing	developing

	AF	GEF	CIFS	GCF
• fair and transparent procurement processes	✓	✗	developing	developing
• anti-money laundering, due diligence policy	✗	✗	developing	developing
• complaints-handling mechanism or anti-corruption hotline	✗	✗	developing	developing
• whistleblower and witness protection <sup>199</sup>	✗	✗	developing	developing
• sanctions and penalties for corruption or fraud <sup>200</sup>	✗	partial	developing	developing
• stakeholder engagement <sup>201</sup>	partial	partial	✓	developing

Drawing on the assessment in Table 6, it is evident that all funds endeavour to measure and demonstrate fund-level policy effectiveness most clearly with regard to financial management and stakeholder engagement. The GCF, the Adaptation Fund and the CIFS disclose on their websites up-to-date, independent financial audit reports. The Adaptation Fund, the GEF and the CIFS have undergone independent evaluations which have assessed the effectiveness of their stakeholder engagement policies and practices. These reports are available on the funds' websites. In addition to these best practices, the GEF's "Conflict Resolution" webpage lists complaints reviewed by the Commissioner and their outcomes. The Adaptation Fund aims to provide similar information on its "Accountability and Complaints" webpage.

Regarding other fund-level policies, while the secretariats of all funds report at governing body meetings on certain actions undertaken under certain policy areas, reports or assessments regarding how effective they have been in practice are not easily identifiable. For example, regarding ethics and conflicts of interest, reports regarding the number and type of cases recorded, reviewed and resolved could not be found. Regarding procurement policies, information is not available that shows that procurement processes are conducted transparently and fairly (including best value for money choices). Money laundering preventative or corrective actions are also not reported – such as the type, quantity and quality of due diligence actions undertaken. The effectiveness of transparency policies could be improved to account for information disclosure practices with regard to the accuracy, completeness, reliability, coherence and timeliness of disclosures, non-disclosure practices (such as reviewing justifications for non-disclosure in light of

the public interest and right to know), and information requests and appeals (number, type and resolutions). How well the funds' sanctions policies work is also not clear, in terms of the number and type of sanctions or penalties determined and enforced by the funds, as well as any appeals procedures followed, and the overall impact achieved.

Regarding implementing entities, all funds monitor their compliance to fiduciary standards on a periodic basis, such as through accreditation and reaccreditation, or similar processes. However, summaries and not full reports of such reviews are usually issued, so that the demonstration of real effectiveness is not put into the public domain. Regular monitoring, reporting and evaluation of how fiduciary standards are applied throughout project cycle implementation can provide a useful source for assessing effectiveness. In that regard, as a part of its project performance monitoring and evaluation framework, the Adaptation Fund pioneers best practice in measuring and reporting on the financial management, procurement and stakeholder engagement practices of implementing entities throughout project cycles. These reports are available on the fund's website. The CIFS also measure stakeholder engagement in project reports and evaluations and are developing a new risk management framework to measure and monitor performance across a number of transparency, accountability and integrity indicators. Still, much more can be done to show how implementing entities are also applying fiduciary safeguards as a way to signal areas for improvement over time. The funds should develop clear indicators for each policy area which are built into project monitoring frameworks and assessed regularly throughout project implementation.

# APPENDIX I: POLICY SOURCES

Useful links to the transparency, accountability and integrity policies, procedures and key information of the Adaptation Fund, the CIFs, the GEF and the GCF.

## FUND-LEVEL ACCESS TO INFORMATION POLICIES

	Open Information Policy: <a href="https://www.adaptation-fund.org/document/open-information-policy/">https://www.adaptation-fund.org/document/open-information-policy/</a>
<b>AF</b>	The Rules of Procedures of the Adaptation Fund Board: <a href="https://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.B.2.4_Draft_Rules_of_Procedure_for_Adaptation_Fund_Board.pdf">https://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.B.2.4_Draft_Rules_of_Procedure_for_Adaptation_Fund_Board.pdf</a>
<b>CIFs</b>	Policy for Disclosure of Documents prepared for purposes of the Climate Investment Funds, at <a href="https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/approval_of_policy_for_disclosure_of_documents_prepared_for_the_cif.pdf">https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/approval_of_policy_for_disclosure_of_documents_prepared_for_the_cif.pdf</a> , supplemented by the Note on Disclosure of Documents Prepared for Purposes of the Climate Investment Funds, at <a href="http://www-cif.climateinvestmentfunds.org/sites/default/files/Note%20on%20disclosure%20of%20Documents%20-%20may%202009.pdf">http://www-cif.climateinvestmentfunds.org/sites/default/files/Note%20on%20disclosure%20of%20Documents%20-%20may%202009.pdf</a>
	Public Involvement Policy: <a href="https://www.thegef.org/documents/public-involvement;">https://www.thegef.org/documents/public-involvement;</a>
<b>GEF</b>	GEF Practices on Disclosure of Information: <a href="https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.Inf_.03_GEF_Practices_on_Disclosure_of_Information_4.pdf">https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.Inf_.03_GEF_Practices_on_Disclosure_of_Information_4.pdf</a>
<b>GCF</b>	<a href="http://www.greenclimate.fund/disclosure/information-disclosure-policy">http://www.greenclimate.fund/disclosure/information-disclosure-policy</a>

## FUND SECRETARIATS' ACCESS TO INFORMATION POLICIES

<b>AF</b>	
<b>CIFs</b>	World Bank Access to Information Policy applies: <a href="http://www.worldbank.org/en/access-to-information">http://www.worldbank.org/en/access-to-information</a>
<b>GEF</b>	
<b>GCF</b>	<a href="http://www.greenclimate.fund/disclosure/information-disclosure-policy">http://www.greenclimate.fund/disclosure/information-disclosure-policy</a>

## DISCLOSURE OF CONTRACTS WITH IMPLEMENTING ENTITIES

<b>AF</b>	<a href="https://www.adaptation-fund.org/generic/legal-agreement-between-af-board-and-implementing-entity-amended-in-october-2014/">https://www.adaptation-fund.org/generic/legal-agreement-between-af-board-and-implementing-entity-amended-in-october-2014/</a>
<b>CIFs</b>	Available through an information request
<b>GEF</b>	<a href="http://www.thegef.org/agency-mob-financial-procedures-agreement">http://www.thegef.org/agency-mob-financial-procedures-agreement</a>
<b>GCF</b>	<a href="http://www.greenclimate.fund/partners/accredited-entities/get-accredited">http://www.greenclimate.fund/partners/accredited-entities/get-accredited</a>

## DISCLOSURE OF FINANCIAL STATEMENTS AND INDEPENDENT AUDIT REPORTS

<b>AF</b>	<a href="https://www.adaptation-fund.org/about/financial-status/">https://www.adaptation-fund.org/about/financial-status/</a> <a href="http://fiftrustee.worldbank.org/Pages/adapt.aspx">http://fiftrustee.worldbank.org/Pages/adapt.aspx</a>
<b>CIFs</b>	<a href="https://www.climateinvestmentfunds.org/about/finances">https://www.climateinvestmentfunds.org/about/finances</a> <a href="http://fiftrustee.worldbank.org/Pages/reportListing.aspx?fundName=CTF&amp;folderName=Financial%20Statements">http://fiftrustee.worldbank.org/Pages/reportListing.aspx?fundName=CTF&amp;folderName=Financial%20Statements</a>
<b>GEF</b>	<a href="http://fiftrustee.worldbank.org/Pages/reportListing.aspx?fundName=GEF&amp;folderName=Financial%20Statements">http://fiftrustee.worldbank.org/Pages/reportListing.aspx?fundName=GEF&amp;folderName=Financial%20Statements</a>
<b>GCF</b>	<a href="http://www.greenclimate.fund/who-we-are/secretariat">http://www.greenclimate.fund/who-we-are/secretariat</a> <a href="http://www.greenclimate.fund/how-we-work/resource-mobilization/trustee-of-gcf">http://www.greenclimate.fund/how-we-work/resource-mobilization/trustee-of-gcf</a>

## ETHICS AND CONFLICT OF INTEREST POLICIES FOR FUND-LEVEL ACTORS

<b>AF</b>	The Zero Tolerance Policy of the Board and the Board's Code of Conduct: <a href="https://www.adaptation-fund.org/about/governance/board/">https://www.adaptation-fund.org/about/governance/board/</a>
<b>CIFs</b>	Code of Conduct: <a href="http://www-cif.climateinvestmentfunds.org/documents/code-conduct-proposed-decision-approval-notification-document">http://www-cif.climateinvestmentfunds.org/documents/code-conduct-proposed-decision-approval-notification-document</a>
<b>GEF</b>	Policy on Ethics and Conflict of Interest for Council Members, Alternates, and Advisers: <a href="http://www.thegef.org/council-meeting-documents/proposed-policy-ethics-and-conflict-interest-council-members-alternates">http://www.thegef.org/council-meeting-documents/proposed-policy-ethics-and-conflict-interest-council-members-alternates</a>
<b>GCF</b>	Policy on Ethics and Conflicts of Interest for the Board of the Green Climate Fund; Policy on Ethics and Conflicts of Interest for Executive Director of the Green Climate Fund Secretariat; Policy on Ethics and Conflicts of Interest for External Members of the Green Climate Fund Panels and Groups; Policy on Ethics and Conflicts of Interest for Board-appointed Officials: <a href="http://www.greenclimate.fund/independent-integrity-unit">http://www.greenclimate.fund/independent-integrity-unit</a>

## ETHICS AND CONFLICT OF INTEREST POLICIES FOR FUND SECRETARIATS

<b>AF</b>	World Bank Code of Conduct applies for the staff of the Adaptation Fund, GEF and CIFs. See: <a href="http://siteresources.worldbank.org/INTETHICS/Resources/World_Bank_Group_Code_Of_Conduct_11_06_09.pdf">http://siteresources.worldbank.org/INTETHICS/Resources/World_Bank_Group_Code_Of_Conduct_11_06_09.pdf</a> ; Living Our Values. Code of Conduct (February 2013), World Bank 2013a. <a href="http://siteresources.worldbank.org/INTETHICS/Resources/ethics_code_2013-Mar13-CRA.pdf">http://siteresources.worldbank.org/INTETHICS/Resources/ethics_code_2013-Mar13-CRA.pdf</a> . Also, Staff Rule 3.01 – Standards of Professional Conduct: <a href="https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=258aa82d-b532-4a10-b8dd-401dd6bcabe3">https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=258aa82d-b532-4a10-b8dd-401dd6bcabe3</a> .
<b>GEF</b>	
<b>GCF</b>	Staff Code of Conduct and Prevention of Harassment: <a href="http://www.greenclimate.fund/independent-integrity-unit">http://www.greenclimate.fund/independent-integrity-unit</a> ; Administrative Guidelines on Human Resources (GCF/B.08/26) (not disclosed).

## INSTITUTIONAL (FUND-LEVEL) FINANCIAL MANAGEMENT, REPORTING AND AUDIT POLICIES

<b>AF</b>	<a href="http://unfccc.int/resource/docs/2006/cmp2/eng/10a01.pdf#page=28">http://unfccc.int/resource/docs/2006/cmp2/eng/10a01.pdf#page=28</a> <a href="https://www.adaptation-fund.org/about/governance/trustee/">https://www.adaptation-fund.org/about/governance/trustee/</a> The Secretariat adheres to the World Bank's internal financial management policies.
<b>CIFs</b>	The CIFs' financial management policies, procedures and information are sourced centrally on its website: <a href="https://www-cif.climateinvestmentfunds.org/about/finances">https://www-cif.climateinvestmentfunds.org/about/finances</a> . The Administrative Unit adheres to the World Bank's internal financial management policies.

**GEF** The GEF's financial management policies and procedures are housed centrally on its website: <http://www.thegef.org/about/funding>. The framework policy is explained in the GEF Instrument and its Annex B, at [https://www.thegef.org/sites/default/files/documents/GEF\\_Instrument-Interior-March23.2015.pdf](https://www.thegef.org/sites/default/files/documents/GEF_Instrument-Interior-March23.2015.pdf). The Secretariat adheres to the World Bank's internal financial management policies.

**GCF** Information about and links to the trustee reports are housed under the GCF's "Resource Mobilization" section: <http://www.greenclimate.fund/how-we-work/resource-mobilization/trustee-of-gcf>; Independent Financial Audit reports of the Secretariat's finances are available on the "Secretariat" webpage: <http://www.greenclimate.fund/who-we-are/secretariat>. Policies are in place regarding fiduciary risk management and internal control frameworks, and financial reporting accounting and audit standards (See Decision B.08/18 regarding document GCF/B.08/27 Commencement of Annual Reporting and the External Auditing Process), at [http://www.greenclimate.fund/documents/20182/24946/GCF\\_B.08\\_45\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Eighth\\_Meeting\\_of\\_the\\_Board\\_\\_14-17\\_October\\_2014.pdf/1dd5389c-5955-4243-90c9-7c63e810c86d](http://www.greenclimate.fund/documents/20182/24946/GCF_B.08_45_-_Decisions_of_the_Board_-_Eighth_Meeting_of_the_Board__14-17_October_2014.pdf/1dd5389c-5955-4243-90c9-7c63e810c86d); [http://www.greenclimate.fund/documents/20182/24964/B.BM-2015\\_06\\_-\\_Decision\\_of\\_the\\_Board\\_on\\_the\\_Administrative\\_Guidelines\\_on\\_the\\_Internal\\_Control\\_Framework\\_and\\_Internal\\_Audit\\_Standards.pdf/2dbdf1d8-71ad-40b3-888a-42eb71162de5](http://www.greenclimate.fund/documents/20182/24964/B.BM-2015_06_-_Decision_of_the_Board_on_the_Administrative_Guidelines_on_the_Internal_Control_Framework_and_Internal_Audit_Standards.pdf/2dbdf1d8-71ad-40b3-888a-42eb71162de5); Decision B.07/05 at [http://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](http://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board__18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b).

## INSTITUTIONAL (FUND-LEVEL) PROCUREMENT POLICIES

**AF** The Adaptation Fund, GEF and CIFs institutional procurement are governed by the World Bank's procurement policy: <http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-policies-and-guidance>

**GCF** Administrative Guidelines on Procurement: [http://www.greenclimate.fund/documents/20182/574763/GCF\\_policy\\_-\\_Administrative\\_Guidelines\\_on\\_Procurement.pdf/b767d68e-f8b7-46d1-a18c-b6541f3dc010](http://www.greenclimate.fund/documents/20182/574763/GCF_policy_-_Administrative_Guidelines_on_Procurement.pdf/b767d68e-f8b7-46d1-a18c-b6541f3dc010)

## INSTITUTIONAL (FUND-LEVEL) ANTI-MONEY LAUNDERING, DUE DILIGENCE POLICIES

**AF** The Adaptation Fund, GEF and CIFs apply the World Bank's anti-money laundering and due diligence policies. Reference Guide to Anti-Money Laundering and Combating the Financing of Terrorism: <http://www.imf.org/external/pubs/cat/longres.aspx?sk=20274.0>

**GCF** The GCF is developing an anti-money laundering and counter terrorism financing policy, which is expected to be adopted at its 18th Board Meeting in October 2017 (GCF B.17/21): [http://www.greenclimate.fund/documents/20182/751020/GCF\\_B.17\\_21\\_-\\_Decisions\\_of\\_the\\_Board\\_\\_seventeenth\\_meeting\\_of\\_the\\_Board\\_\\_5\\_\\_6\\_July\\_2017.pdf/95256895-d699-404e-b3c0-a46b2558ceaf](http://www.greenclimate.fund/documents/20182/751020/GCF_B.17_21_-_Decisions_of_the_Board__seventeenth_meeting_of_the_Board__5__6_July_2017.pdf/95256895-d699-404e-b3c0-a46b2558ceaf)

## FIDUCIARY STANDARDS FOR IMPLEMENTING ENTITIES

**AF** Fiduciary standards: [www.adaptation-fund.org/sites/default/files/AFB.B.6.4\\_Fiduciary\\_Standards.pdf](http://www.adaptation-fund.org/sites/default/files/AFB.B.6.4_Fiduciary_Standards.pdf); accreditation application: <https://www.adaptation-fund.org/apply-funding/accreditation/accreditation-application/>; Operational Policies and Guidelines for Parties to access Resources from the Adaptation Fund: <https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-amended-in-March-2016.pdf>; the Adaptation Fund's legal agreements with implementing entities: <https://www.adaptation-fund.org/wp-content/uploads/2011/10/Revised-AGREEMENT-as-of-Mar-2017-1.pdf>; and the Risk Management Framework for the Adaptation Fund: [https://www.adaptation-fund.org/wp-content/uploads/2015/06/AF-risk-management-framework\\_Board-revised.pdf](https://www.adaptation-fund.org/wp-content/uploads/2015/06/AF-risk-management-framework_Board-revised.pdf).



<b>CIFs</b>	Transparency and Accountability: <a href="https://www.climateinvestmentfunds.org/about/transparency-accountability">https://www.climateinvestmentfunds.org/about/transparency-accountability</a> ; Finances: <a href="https://www.climateinvestmentfunds.org/about/finances">https://www.climateinvestmentfunds.org/about/finances</a>
<b>GEF</b>	Minimum fiduciary standards: <a href="https://www.thegef.org/sites/default/files/documents/GA.PL_.02_Minimum_Fiduciary_Standards_0.pdf">https://www.thegef.org/sites/default/files/documents/GA.PL_.02_Minimum_Fiduciary_Standards_0.pdf</a> ; contracts with GEF agencies: <a href="http://www.thegef.org/agency-mob-financial-procedures-agreement">http://www.thegef.org/agency-mob-financial-procedures-agreement</a>
<b>GCF</b>	Initial Fiduciary Principles and Standards of the Fund: <a href="https://www.greenclimate.fund/documents/20182/818273/1.6_-_Fiduciary_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd">https://www.greenclimate.fund/documents/20182/818273/1.6_-_Fiduciary_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd</a> ; Interim Policy on Prohibited Practices: <a href="http://www.greenclimate.fund/independent-integrity-unit">http://www.greenclimate.fund/independent-integrity-unit</a> ; Accreditation application form and Accreditation Master Agreements: <a href="http://www.greenclimate.fund/how-we-work/getting-accredited">http://www.greenclimate.fund/how-we-work/getting-accredited</a>

### POLICIES AND PROCEDURES FOR REPORTING WRONGDOING AND WHISTLEBLOWER PROTECTION (FUND SECRETARIAT LEVEL)

<b>AF</b>	The World Bank policy applies to any report by or regarding staff and operations of the secretariats of the Adaptation Fund, the GEF and the CIFs: <a href="http://www.worldbank.org/en/about/unit/integrity-vice-presidency/report-an-allegation">http://www.worldbank.org/en/about/unit/integrity-vice-presidency/report-an-allegation</a> ; Reporting Misconduct: <a href="http://siteresources.worldbank.org/NEWS/Resources/DraftsStaffRule8_02.pdf">http://siteresources.worldbank.org/NEWS/Resources/DraftsStaffRule8_02.pdf</a>
<b>CIFs</b>	
<b>GEF</b>	
<b>GCF</b>	The Independent Integrity Unit reports on prohibited practices in connection with the GCF's staff, external stakeholders, implementing entities or intermediaries: <a href="http://www.greenclimate.fund/independent-integrity-unit">http://www.greenclimate.fund/independent-integrity-unit</a> . The GCF's whistleblowing policy is under development.

### POLICIES AND PROCEDURES FOR REPORTING WRONGDOING AND WHISTLEBLOWER PROTECTION; GRIEVANCES/COMPLAINTS-HANDLING AND REDRESS (PROJECT AND FUNDED ACTIVITIES LEVEL)

<b>AF</b>	Policies and procedures of implementing entities apply, and the Risk Management Framework for the Adaptation Fund ( <a href="https://www.adaptation-fund.org/wp-content/uploads/2015/06/AF-risk-management-framework_Board-revised.pdf">https://www.adaptation-fund.org/wp-content/uploads/2015/06/AF-risk-management-framework_Board-revised.pdf</a> ) applies. Additionally, the Fund's Ad Hoc Complaints-Handling Mechanism applies in cases where "Complainants living in the project area believe they are adversely affected by the implementation of projects or programmes financed by the Fund": <a href="https://www.adaptation-fund.org/projects-programmes/accountability-complaints/ad-hoc-complaint-handling-mechanism-achm/">https://www.adaptation-fund.org/projects-programmes/accountability-complaints/ad-hoc-complaint-handling-mechanism-achm/</a>
<b>CIFs</b>	Policies and procedures of implementing entities apply: <a href="https://www.climateinvestmentfunds.org/about/transparency-accountability">https://www.climateinvestmentfunds.org/about/transparency-accountability</a>
<b>GEF</b>	Policies and procedures of implementing entities apply. Additionally, the GEF's Conflict Resolution Commissioner "helps resolve disputes and address complaints and other issues relevant to GEF operations", including those related to corruption: <a href="https://www.thegef.org/content/conflict-resolution-commissioner">https://www.thegef.org/content/conflict-resolution-commissioner</a> . Policy reference: GEF Agency Minimum Standards on Environmental and Social Safeguards: <a href="https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.10.Rev_1.Policy_on_Environmental_and_Social_Safeguards.Final%20of%20Nov%2018.pdf">https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.10.Rev_1.Policy_on_Environmental_and_Social_Safeguards.Final%20of%20Nov%2018.pdf</a>

**GCF** Policies and procedures of implementing entities apply. Additionally, the GCF's Independent Integrity Unit investigates reports of prohibited practices in connection with the GCF's staff, external stakeholders, implementing entities or intermediaries: <http://www.greenclimate.fund/independent-integrity-unit>; [http://www.greenclimate.fund/documents/20182/836602/Independent\\_Integrity\\_Unit\\_-\\_Frequently\\_Asked\\_Questions.pdf/c43554c0-c2f8-4b6d-9737-cf3b32487bd6](http://www.greenclimate.fund/documents/20182/836602/Independent_Integrity_Unit_-_Frequently_Asked_Questions.pdf/c43554c0-c2f8-4b6d-9737-cf3b32487bd6). The GCF's whistleblowing policy is under development. Terms of reference: [http://www.greenclimate.fund/documents/20182/836602/Terms\\_of\\_Reference\\_of\\_the\\_Independent\\_Integrity\\_Unit.pdf/c659bcc0-2586-4bb8-a320-57a0373506a1](http://www.greenclimate.fund/documents/20182/836602/Terms_of_Reference_of_the_Independent_Integrity_Unit.pdf/c659bcc0-2586-4bb8-a320-57a0373506a1)

The GCF's Independent Redress Mechanism "responds to complaints by people who feel they have been adversely affected by GCF projects or programmes failing to implement GCF operational policies and procedures": <http://www.greenclimate.fund/independent-redress-mechanism>. Terms of reference: [http://www.greenclimate.fund/documents/20182/24940/GCF\\_B.06\\_18\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Sixth\\_Meeting\\_of\\_the\\_Board\\_\\_19-21\\_February\\_2014.pdf/0ba2bfb2-9cbe-41e1-83a6-c5d5662fb463](http://www.greenclimate.fund/documents/20182/24940/GCF_B.06_18_-_Decisions_of_the_Board_-_Sixth_Meeting_of_the_Board__19-21_February_2014.pdf/0ba2bfb2-9cbe-41e1-83a6-c5d5662fb463)

## SANCTIONS POLICIES

**AF** Risk Management Framework and Operational Guidelines: <https://www.adaptation-fund.org/documents-publications/operational-policies-guidelines/>; Standard Legal Agreement: <https://www.adaptation-fund.org/documents-publications/legal-documents/>

**CIFs** Financial Procedures Agreements (available through an information disclosure request).

**GEF** Legal agreements with GEF agencies: <http://www.thegef.org/agency-mob-financial-procedures-agreement>; also: GEF/C.31/07, GEF Project Cycle (2007).

**GCF** Accreditation Master Agreement: [https://www.greenclimate.fund/documents/20182/319135/Accreditation\\_Master\\_Agreement\\_Template.pdf/8c4f6cbf-ae17-4856-81c1-64ac8bfa506](https://www.greenclimate.fund/documents/20182/319135/Accreditation_Master_Agreement_Template.pdf/8c4f6cbf-ae17-4856-81c1-64ac8bfa506). Interim Policy on Prohibited Practices: <http://www.greenclimate.fund/independent-integrity-unit>

## POLICIES ON APPEALING OR REQUESTING REVIEW OR EXPLANATIONS REGARDING GOVERNING BODY DECISIONS

**AF**

**CIFs** Governing body decision-making by consensus. No additional formal policy or procedure.

**GEF**

**GCF** Governing body decision-making by consensus. Additionally, Interim Procedures for Redress exist: Reconsideration of Funding Decisions, [http://www.greenclimate.fund/documents/20182/226888/GCF\\_B.13\\_17\\_-\\_Interim\\_Procedures\\_for\\_Redress\\_\\_Reconsideration\\_of\\_Funding\\_Decisions.pdf/8ec3461c-d641-4d74-8887-818922449cab](http://www.greenclimate.fund/documents/20182/226888/GCF_B.13_17_-_Interim_Procedures_for_Redress__Reconsideration_of_Funding_Decisions.pdf/8ec3461c-d641-4d74-8887-818922449cab)

## POLICIES ON OBSERVER PARTICIPATION IN GOVERNING BODY MEETINGS

**AF** Rules of procedure of the Adaptation Fund Board: <https://www.adaptation-fund.org/wp-content/uploads/2015/01/Rules%20of%20procedure%20of%20the%20Adaptation%20Fund%20Board.pdf>

Main source: <https://www-cif.climateinvestmentfunds.org/about/stakeholders>;

**CIFs** Observer Roles and Responsibilities: [https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/joint\\_5\\_observers\\_in\\_the\\_cif\\_governing\\_bodies\\_0\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/joint_5_observers_in_the_cif_governing_bodies_0_0.pdf); [http://www-cif.climateinvestmentfunds.org/sites/default/files/web\\_page\\_roles\\_and\\_responsibilities.pdf](http://www-cif.climateinvestmentfunds.org/sites/default/files/web_page_roles_and_responsibilities.pdf); Guidelines: <http://www-cif.climateinvestmentfunds.org/sites/default/files/Guidelines%20for%20Inviting%20Reps%20of%20Civil%20Society...pdf>.

Main sources: <https://www.thegef.org/partners/csos>; <https://www.thegef.org/topics/private-sector>.

**GEF** References: Rules of Procedure for the GEF Council: [http://www.thegef.org/sites/default/files/publications/11488\\_English\\_2.pdf](http://www.thegef.org/sites/default/files/publications/11488_English_2.pdf); Enhancing Civil Society Engagement and Partnership with the GEF (GEF/C.34/9): [https://www.thegef.org/sites/default/files/council-meeting-documents/C.34.9\\_Enhancing\\_Engagement\\_of\\_Civil\\_Society\\_with\\_the\\_GEF\\_4.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.34.9_Enhancing_Engagement_of_Civil_Society_with_the_GEF_4.pdf)

**GCF** Arrangements for observer participation in the Board meetings: [http://www.greenclimate.fund/documents/20182/24925/GCF\\_B.01-12\\_03\\_-\\_Arrangements\\_for\\_Observer\\_Participation\\_in\\_the\\_Board\\_Meetings.pdf/b8684b81-7f4f-4613-bbf3-462621a092cc](http://www.greenclimate.fund/documents/20182/24925/GCF_B.01-12_03_-_Arrangements_for_Observer_Participation_in_the_Board_Meetings.pdf/b8684b81-7f4f-4613-bbf3-462621a092cc); Governing Instrument and Rules of Procedure: <http://www.greenclimate.fund/boardroom/board-members>; Observer Directory: <http://www.greenclimate.fund/how-we-work/tools/observer-directory/civil-society>.

## POLICIES ON STAKEHOLDER ENGAGEMENT AT PROJECT/COUNTRY LEVEL

**AF** No specific policy. Policies requiring project/country-level stakeholder consultations include the Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy: [https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance\\_Revised-in-June-2016\\_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance_Revised-in-June-2016_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf); Environmental and Social Policy: [https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016\\_-\\_OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf](https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016_-_OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf); Operational Polices and Guidelines: <https://www.adaptation-fund.org/wp-content/uploads/2017/08/OPG-amended-in-March-2016.pdf>; Procedure to solicit inputs to project proposals: <https://www.adaptation-fund.org/projects-programmes/proposals-concepts-under-review/>

**CIFs** Main source: <https://www-cif.climateinvestmentfunds.org/about/stakeholders>. The source links to CIFs policies regarding project/country-level stakeholder engagement, including the Clean Technology Fund Guidelines for Investment Plans, the Forest Investment Programme Operational Guidelines, the Pilot Programme on Climate Resilience Joint Mission Guidelines, and the policies of the CIF implementing entities. Additional source: Proposed Measures to Strengthen National-Level Stakeholder Engagement in the Climate Investment: <https://www.climateinvestmentfunds.org/documents/options-enhance-national-level-stakeholder-engagement-planning-and-implementation-cif-invest>

Main sources: <https://www.thegef.org/partners/csos>; <https://www.thegef.org/topics/private-sector>.

**GEF** Policy and other references: Instrument for the Establishment of the Restructured GEF: <https://www.thegef.org/documents/instrument-establishment-restructured-gef>; Public Involvement in GEF Projects (GEF/C.7/6): [https://www.thegef.org/sites/default/files/council-meeting-documents/C.7.6\\_1.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.7.6_1.pdf); GEF's Private Sector Engagement in Climate Finance: <https://www.thegef.org/publications/gefs-private-sector-engagement-climate-finance>.

**GCF** No specific policy. Policies requiring project/country-level stakeholder consultations include legal agreements with accredited entities, the GCF's Initial Monitoring and Accountability Framework for Accredited Entities ([http://www.greenclimate.fund/documents/20182/76153/DECISION\\_B.11\\_10\\_-\\_Initial\\_monitoring\\_and\\_accountability\\_framework\\_for\\_accredited\\_entities.pdf/b06dddfc-2d18-4675-9d2f-d3e81de6ba99](http://www.greenclimate.fund/documents/20182/76153/DECISION_B.11_10_-_Initial_monitoring_and_accountability_framework_for_accredited_entities.pdf/b06dddfc-2d18-4675-9d2f-d3e81de6ba99)) and the Readiness Support Programme: <http://www.greenclimate.fund/gcf101/empowering-countries/readiness-support>.

# APPENDIX II: IMPLEMENTING ENTITIES

IMPLEMENTING ENTITIES AS AT AUGUST 2017	COUNTRY, HEADQUARTERS	ACCREDITATION/ PARTNERSHIP			
		AF	GEF	CIFS	GCF
Acumen Fund, Inc. (Acumen)	USA				✓
Africa Finance Corporation (AFC)	Nigeria				✓
African Development Bank (AfDB)	Côte d'Ivoire	✓	✓	✓	✓
Agence Française de Développement (AFD)	France				✓
Agencia de Cooperación Internacional de Chile (AGCI)	Chile	✓			
Agencia Nacional de Investigación e Innovación (ANII)	Uruguay	✓			
Agency for Agricultural Development of Morocco (ADA)	Morocco	✓			✓
Asian Development Bank (ADB)	Philippines	✓	✓	✓	✓
Bank of Tokyo-Mitsubishi UFJ, Ltd.	Japan				✓
Brazilian Biodiversity Fund (FUNBIO)	Brazil		✓		
Caribbean Community Climate Change Centre (CCCCC)	Belize				✓
Caribbean Development Bank (CDB)	Barbados	✓			✓
CDG Capital S.A.	Morocco				✓
Central American Bank for Economic Integration (CABEI)	Honduras	✓			✓
Centre de Suivi Ecologique (CSE)	Senegal	✓			✓
Conservation International Foundation (CI)	USA		✓		✓
Corporación Andina de Fomento (CAF) (Development Bank of Latin America)	Venezuela	✓	✓		✓
Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB)	France				✓
Department of Environment (DoE) Antigua and Barbuda	Antigua and Barbuda	✓			

IMPLEMENTING ENTITIES AS AT AUGUST 2017	COUNTRY, HEADQUARTERS	ACCREDITATION/ PARTNERSHIP			
		AF	GEF	CIFS	GCF
<b>Desert Research Foundation of Namibia (DRFN)</b>	Namibia	✓			
<b>Deutsche Bank AktienGesellschaft (Deutsche Bank AG)</b>	Germany				✓
<b>Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)</b>	Germany				✓
<b>Development Bank of Southern Africa (DBSA)</b>	South Africa		✓		✓
<b>Dominican Institute of Integral Development (IDDI)</b>	Dominican Republic	✓			
<b>Environmental Investment Fund (EIF)</b>	Namibia				✓
<b>Environmental Project Implementation Unit (EPIU)</b>	Armenia	✓			
<b>European Bank for Reconstruction and Development (EBRD)</b>	UK	✓	✓	✓	✓
<b>European Investment Bank (EIB)</b>	Luxembourg				✓
<b>Food and Agriculture Organization (FAO)</b>	Italy		✓		✓
<b>Foreign Economic Cooperation Office (FECO)</b>	China		✓		✓
<b>Fundación Avina (Fundación Avina)</b>	Panama				✓
<b>Fundación Natura</b>	Panama	✓			
<b>Fundecooperacion Para el Desarrollo Sostenible</b>	Costa Rica	✓			
<b>HSBC Holdings plc and its subsidiaries (HSBC)</b>	UK				✓
<b>Infrastructure Development Company Limited (IDCOL)</b>	Bangladesh				✓
<b>Inter-American Development Bank (IADB)</b>	USA	✓	✓	✓	✓
<b>International Bank for Reconstruction and Development (IBRD) (World Bank)</b>	USA	✓	✓	✓	✓
<b>International Finance Corporation (IFC)</b>	USA		✓	✓	✓
<b>International Fund for Agricultural Development (IFAD)</b>	Italy	✓	✓		✓
<b>International Union for Conservation of Nature (IUCN)</b>	Switzerland		✓		✓



IMPLEMENTING ENTITIES AS AT AUGUST 2017	COUNTRY, HEADQUARTERS	ACCREDITATION/ PARTNERSHIP			
		AF	GEF	CIFS	GCF
<b>Japan International Cooperation Agency (JICA)</b>	Japan				✓
<b>Korea Development Bank (KDB)</b>	South Korea				✓
<b>Kreditanstalt fuer Wiederaufbau (KfW)</b>	Germany				✓
<b>Mexican Institute of Water Technology (IMTA)</b>	Mexico	✓			
<b>Micronesia Conservation Trust (MCT)</b>	Micronesia	✓			✓
<b>Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)</b>	Ethiopia	✓			✓
<b>Ministry of Finance and Economic Management (MFEM)</b>	Cook Islands	✓			
<b>Ministry of Natural Resources of Rwanda (MINIRENA)</b>	Rwanda	✓			✓
<b>Ministry of Planning and International Cooperation (MOPIC)</b>	Jordan	✓			
<b>National Bank for Agriculture and Rural Development (NABARD)</b>	India	✓			✓
<b>National Environment Fund</b>	Benin	✓			
<b>National Environment Management Authority of Kenya (NEMA)</b>	Kenya	✓			✓
<b>Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)</b>	Netherlands				✓
<b>Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory (OSS)</b>	Tunisia	✓			
<b>Partnership for Governance Reform in Indonesia (Kemitraan)</b>	Indonesia	✓			
<b>Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe)</b>	Peru	✓			✓
<b>Planning Institute of Jamaica</b>	Jamaica	✓			
<b>Protected Areas Conservation Trust (PACT)</b>	Belize	✓			
<b>PT Sarana Multi Infrastruktur (PT SMI)</b>	Indonesia				✓
<b>Secretariat of the Pacific Regional Environment Programme (SPREP)</b>	Samoa	✓			✓
<b>Small Industries Development Bank of India (SIDBI)</b>	India				✓

IMPLEMENTING ENTITIES AS AT AUGUST 2017	COUNTRY, HEADQUARTERS	ACCREDITATION/ PARTNERSHIP			
		AF	GEF	CIFS	GCF
<b>Société de Promotion et de Participation pour la Coopération (PROPARCO)</b>	France				✓
<b>South African National Biodiversity Institute (SANBI)</b>	South Africa	✓			✓
<b>Unidad Para el Cambio Rural (Unit for Rural Change) of Argentina (UCAR)</b>	Argentina	✓			✓
<b>United Nations Development Program (UNDP)</b>	USA	✓	✓		✓
<b>United Nations Educational, Scientific, and Cultural Organization (UNESCO)</b>	France	✓			
<b>United Nations Environment Programme (UNEP)</b>	Kenya	✓	✓		✓
<b>UN-Habitat</b>	Kenya	✓			
<b>United Nations Industrial Development Organization (UNIDO)</b>	Austria		✓		
<b>West African Development Bank (BOAD)</b>	Togo	✓	✓		✓
<b>World Food Programme (WFP)</b>	Italy	✓			✓
<b>World Meteorological Organization (WMO)</b>	Switzerland	✓			✓
<b>World Wildlife Fund, Inc. (WWF-US)</b>	USA		✓		✓
<b>XacBank LLC (XacBank)</b>	Mongolia				✓

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# ABOUT TRANSPARENCY INTERNATIONAL

**Transparency International is a global movement with one vision: a world in which government, business, civil society and the daily lives of people are free of corruption.**

With more than 100 chapters worldwide and an international secretariat in Berlin, we are leading the fight against corruption to turn this vision into reality. In 2011, Transparency International's *Global Corruption Report on Climate Change*<sup>202</sup> highlighted the risks implicit in a climate funding landscape characterised by complexity and fragmentation, and where the governance of climate change adaptation and mitigation funding bodies pointed to instances of inadequate transparency and a lack of, or compromised, independent oversight across important decision-making processes.

These initial investigations led to the establishment of Transparency International's Climate Governance Integrity Programme, which aims to ensure that public money is spent honestly and effectively, and that trust in government increases, bringing about a healthier investment environment, and ultimately contributing to sustainable development. To achieve these goals, the Programme works to bring clarity to global and national financial flows, institutional structures and decision-making, and to strengthen climate governance through increased transparency, accountability and integrity checks, and by strengthening stakeholder participation.

On the global level, the Programme, in collaboration with expert researchers,<sup>203</sup> has conducted anti-corruption assessments (and follow-up progress reports) of key multilateral climate funds, including the Adaptation Fund, the CIFs Trust Funds, the Least Developed Countries Fund and the Special Climate Change Fund. The basic assessments reviewed the governance arrangements and transparency, accountability, as well as the integrity policies and practices of each fund against a set of 12 indicators, and was able to identify both best practices and areas where the respective funds' policies should be strengthened. The work has been effective in contributing to policy and practice changes.

On the national level, Transparency International chapters in 15 countries, including Bangladesh, Brazil, Cameroon, Costa Rica, the Democratic Republic of Congo, Ghana, Kenya, the Maldives, Mexico, Nepal, Peru, the Republic of Congo, Rwanda, Zambia, and Zimbabwe, have been actively monitoring climate finance delivery through multi-stakeholder processes, in a variety of ways. Transparency International action includes local stakeholder capacity building, whistleblower and witness support, third-party procurement oversight, climate finance tracking, and national to local policy advocacy.

Transparency International's work on climate finance integrity is supported by grant financing from bilateral and multilateral donors, including the International Climate Initiative of the German Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, the European Commission and the French Development Agency.

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# END NOTES

1. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/10093.pdf>.
2. The GEF administers four trust funds which directly and indirectly support climate actions. These are the GEF Trust Fund, the Special Climate Change Fund the Least Developed Countries Fund (see <https://www.thegef.org/about/funding>) and the Capacity Building Initiative for Transparency (see <https://www.thegef.org/news/new-financial-initiative-support-paris-agreement>).
3. The CIFs include the Clean Technology Fund and the Strategic Climate Fund (see <https://www.climateinvestmentfunds.org/about/finances>).
4. GCF/B.17/21/: [http://www.greenclimate.fund/documents/20182/751020/GCF\\_B.17\\_21\\_-\\_Decisions\\_of\\_the\\_Board\\_\\_seventeenth\\_meeting\\_of\\_the\\_Board\\_\\_5\\_\\_6\\_July\\_2017.pdf/95256895-d699-404e-b3c0-a46b2558ceaf](http://www.greenclimate.fund/documents/20182/751020/GCF_B.17_21_-_Decisions_of_the_Board__seventeenth_meeting_of_the_Board__5__6_July_2017.pdf/95256895-d699-404e-b3c0-a46b2558ceaf); GEF: Relations with the Conventions and other International Institutions (GEF/C.52/03), at [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.52.03\\_Relations\\_with\\_the\\_Conventions\\_0.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.52.03_Relations_with_the_Conventions_0.pdf); Adaptation Fund: Strategic Discussion on Objectives and further Steps of the Fund: Potential Linkages Between the Fund and the Green Climate Fund (AFB/B.29/6), at [https://www.adaptation-fund.org/wp-content/uploads/2017/03/AFB-B-29.6\\_Potential-linkages-between\\_AF-and-GCF.pdf](https://www.adaptation-fund.org/wp-content/uploads/2017/03/AFB-B-29.6_Potential-linkages-between_AF-and-GCF.pdf); Strategic Directions for the Climate Investment Funds (Joint CTF-SCF/16/3), at [https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/joint\\_ctf-scf\\_16\\_3\\_cif\\_strategic\\_paper\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/joint_ctf-scf_16_3_cif_strategic_paper_0.pdf).
5. See [https://www.climateinvestmentfunds.org/sites/default/files/san\\_qa\\_nov\\_2016.pdf](https://www.climateinvestmentfunds.org/sites/default/files/san_qa_nov_2016.pdf).
6. Transparency International, Global Corruption Report: Climate Change (London, Washington, D.C.: Transparency International. Earthscan, 2011), p. 1.
7. Ibid. at pp. 220–245 (See [https://www.transparency.org/whatwedo/.../global\\_corruption\\_report\\_climate\\_change](https://www.transparency.org/whatwedo/.../global_corruption_report_climate_change)). Ibid. at pp. 220–245 (see [https://www.transparency.org/whatwedo/publication/global\\_corruption\\_report\\_climate\\_change](https://www.transparency.org/whatwedo/publication/global_corruption_report_climate_change)). Note: Transparency International takes “billion” to refer to one thousand million (1,000,000,000).
8. Paris Agreement (2015), at [http://unfccc.int/files/essential\\_background/convention/application/pdf/english\\_paris\\_agreement.pdf](http://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf).
9. See, for example, World Resources Institute: Climate Finance, at <http://www.wri.org/our-work/project/climate-finance>
10. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/10093.pdf>.
11. The GEF administers four trust funds which directly and indirectly support climate actions. These are the GEF Trust Fund, the Special Climate Change Fund, the Least Developed Countries Fund (see <https://www.thegef.org/about/funding>) and the Capacity Building Initiative for Transparency (see <https://www.thegef.org/news/new-financial-initiative-support-paris-agreement>).
12. The CIFs include the Clean Technology Fund and the Strategic Climate Fund (see <https://www.climateinvestmentfunds.org/about/finances>).
13. Protecting Climate Finance: An Anti-Corruption Assessment of the Adaptation Fund (2014), at [https://www.transparency.org/whatwedo/publication/protecting\\_climate\\_finance\\_adaptation\\_fund](https://www.transparency.org/whatwedo/publication/protecting_climate_finance_adaptation_fund); Protecting Climate Finance: An Anti-Corruption Assessment of the Climate Investment Funds (2014), at [https://www.transparency.org/whatwedo/publication/protecting\\_climate\\_finance\\_climate\\_investment\\_funds](https://www.transparency.org/whatwedo/publication/protecting_climate_finance_climate_investment_funds); Protecting Climate Finance: An Anti-Corruption Assessment of the Global Environment Facility’s Least Developed Countries Fund and Special Climate Change Fund (2014), at [https://www.transparency.org/whatwedo/publication/protecting\\_climate\\_finance\\_assessment\\_gef\\_ldcf\\_sccf](https://www.transparency.org/whatwedo/publication/protecting_climate_finance_assessment_gef_ldcf_sccf); Protecting Climate Finance: Progress Update on the Global Environment Facility’s Anti-Corruption Policies and Practices (2017), at [https://transparency.eu/wp-content/uploads/2017/05/2017\\_GEF\\_progressupdate\\_FINAL.pdf](https://transparency.eu/wp-content/uploads/2017/05/2017_GEF_progressupdate_FINAL.pdf); Protecting Climate Finance: Progress Update on the Adaptation Fund’s Anti-Corruption Policies and Practices

- (2017), at [https://transparency.eu/wp-content/uploads/2017/04/2017\\_ProtectingClimateFinance\\_AFFProgressReport\\_EN.pdf](https://transparency.eu/wp-content/uploads/2017/04/2017_ProtectingClimateFinance_AFFProgressReport_EN.pdf); Protecting Climate Finance: Progress Update on the Climate Investment Funds' Anti-Corruption Policies and Practices (2017), at [https://transparency.eu/wp-content/uploads/2017/05/2017\\_CIF-progress-report\\_FINAL.pdf](https://transparency.eu/wp-content/uploads/2017/05/2017_CIF-progress-report_FINAL.pdf).
14. 16 members: (a) two representatives from each of the five United Nations regional groups; (b) one representative of the small island developing states; (c) one representative of the least developed country Parties; (d) two other representatives from the Parties included in Annex I to the UNFCCC (Annex I Parties); (e) two other representatives from the Parties not included in Annex I to the Convention.
  15. 24 members – equal representation between developed and developing countries, including Asia-Pacific, Africa, and Latin America and the Caribbean regions, least developed countries and small island developing states.
  16. <https://www.thegef.org/about/funding>; <https://www.thegef.org/about-us>.
  17. <http://www.greenclimate.fund/how-we-work/tools/entity-directory>.
  18. GEF: How it all began, at <https://www.thegef.org/news/gef-how-it-all-began>.
  19. GEF: Funding, at <https://www.thegef.org/about/funding>.
  20. GEF: <https://www.thegef.org/about-us>.
  21. GEF: Funding, at <https://www.thegef.org/about/funding>.
  22. GEF: <https://www.thegef.org/topics/capacity-building-initiative-transparency-cbit>.
  23. 32 appointed by constituencies of GEF member countries (14 from developed countries, 16 from developing countries and two from economies in transition).
  24. See <https://www.thegef.org/partners/gef-agencies>. For a full list of implementing entities across all funds reviewed, see Appendix II.
  25. 25 Years of the GEF, at: <https://www.thegef.org/sites/default/files/publications/31357FinalWeb.pdf>.
  26. [https://www.climateinvestmentfunds.org/sites/default/files/knowledge-documents/ctf\\_fact\\_sheet\\_nov\\_2016.pdf](https://www.climateinvestmentfunds.org/sites/default/files/knowledge-documents/ctf_fact_sheet_nov_2016.pdf)
  27. <https://www.climateinvestmentfunds.org/about>
  28. <https://www.climateinvestmentfunds.org/projects>
  29. Average per grant by CIFs programme in US\$ millions: Clean Technology Fund (2.48); Forest Investment Programme (7.58); Pilot Programme on Pilot Resilience (7); Scaling Up Renewable Energy in Low Income Countries Programme (9.85). Average per concessional loan by CIFs programme in US\$ millions: Clean Technology Fund (senior – 24.83, first loss - 9, convertible guarantee -9.5); Forest Investment Programme (9.07); Pilot Programme on Pilot Resilience (5.5); Scaling Up Renewable Energy in Low Income Countries Programme (19.75).
  30. The Clean Technology Fund has 16 members, the Strategic Climate Funds have 12 members. The membership of both funds ensure equal representation of both developed and developing countries.
  31. <https://www.climateinvestmentfunds.org/about/governance>.
  32. 16 members: (a) two representatives from each of the five United Nations regional groups; (b) one representative of the small island developing states; (c) one representative of the least developed country Parties; (d) two other representatives from the Parties included in Annex I to the UNFCCC (Annex I Parties); (e) two other representatives from the Parties not included in Annex I to the Convention. See <https://www.adaptation-fund.org/about/governance/board/>; [http://unfccc.int/cooperation\\_and\\_support/financial\\_mechanism/adaptation\\_fund/items/4264.php](http://unfccc.int/cooperation_and_support/financial_mechanism/adaptation_fund/items/4264.php); [https://www.adaptation-fund.org/wp-content/uploads/2015/09/AFB.B.26.Inf.\\_2-Board-members-and-alternates1.pdf](https://www.adaptation-fund.org/wp-content/uploads/2015/09/AFB.B.26.Inf._2-Board-members-and-alternates1.pdf).
  33. <https://www.adaptation-fund.org/about/governance/>.
  34. <https://www.adaptation-fund.org/material/direct-access/>.
  35. <https://www.adaptation-fund.org/apply-funding/accreditation/>.
  36. <https://www.adaptation-fund.org/projects-programmes/project-information/projects-table-view/>.
  37. Ibid. See also <https://www.adaptation-fund.org/>

- readiness/readiness-grants/.
38. <http://www.greenclimate.fund/who-we-are/about-the-fund>.
  39. <http://www.greenclimate.fund/who-we-are/about-the-fund/governance>.
  40. <http://www.greenclimate.fund/who-we-are/secretariat>.
  41. [http://www.greenclimate.fund/how-we-work/resource-mobilization/trustee-of-gcf/#p\\_p\\_id\\_56\\_INSTANCE\\_f6CNhjMS0xMc\\_](http://www.greenclimate.fund/how-we-work/resource-mobilization/trustee-of-gcf/#p_p_id_56_INSTANCE_f6CNhjMS0xMc_).
  42. Ibid.
  43. <http://www.greenclimate.fund/what-we-do/portfolio-dashboard>.
  44. <http://www.greenclimate.fund/how-we-work/getting-accredited>.
  45. <http://www.greenclimate.fund/how-we-work/tools/entity-directory>.
  46. <http://www.greenclimate.fund/what-we-do/readiness-results>.
  47. <http://www.greenclimate.fund/how-we-work/tools/country-directory>.
  48. <http://www.greenclimate.fund/how-we-work/empowering-countries>.
  49. See “Publications” section under <http://www.transparency.org/programmes/detail/cgip/>.
  50. To see a full copy of Romain Weikmans’ independent review summary, please contact: [Climate@transparency.org](mailto:Climate@transparency.org).
  51. AF = Adaptation Fund.
  52. Zero Tolerance Policy for the Board, at <https://www.adaptation-fund.org/wp-content/uploads/2014/09/Zero-tolerance-policy-for-the-Board-Oct2014.pdf>, and Code of Conduct, at [https://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.EFC\\_.1.4.Rev\\_.1%20Code%20of%20Conduct%20for%20the%20Adaptation%20Fund%20Board.pdf](https://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.EFC_.1.4.Rev_.1%20Code%20of%20Conduct%20for%20the%20Adaptation%20Fund%20Board.pdf).
  53. In May 2017, the GEF Council adopted a policy on Ethics and Conflict of Interest for Council Members, Alternates, and Advisers. See: <https://www.thegef.org/council-meeting-documents/proposed-policy-ethics-and-conflict-interest-council-members-alternates>). See also the Council meeting decisions: <https://www.thegef.org/council-meeting-documents/joint-summary-chairs-21>.
  54. CIF Code of Conduct, at [https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/code\\_of\\_conduct\\_rev\\_2.pdf](https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/code_of_conduct_rev_2.pdf).
  55. Policy on Ethics and Conflicts of Interest for the Board (also covers Board advisers), at [http://www.greenclimate.fund/documents/20182/24949/GCF\\_B.09\\_16\\_-\\_Policy\\_on\\_Ethics\\_and\\_Conflicts\\_of\\_Interest\\_for\\_the\\_Board.pdf/6e74ce9d-8b8a-423c-9596-c43c76f85848](http://www.greenclimate.fund/documents/20182/24949/GCF_B.09_16_-_Policy_on_Ethics_and_Conflicts_of_Interest_for_the_Board.pdf/6e74ce9d-8b8a-423c-9596-c43c76f85848).
  56. As defined in the GCF’s Policy on Ethics and Conflicts of Interest for the Board at II.3.(a), an “Adviser” is “an expert providing advice to a Board Member”. Advisers must be registered with the fund by Board members. This definition applies here.
  57. The Code of Conduct cited at n. 50 does not specifically address “advisers”. However, it does encompass “advisory bodies”, which may be understood to include “advisers”. Clarification is needed.
  58. Ibid., at n. 51.
  59. The policy cited at n. 52 does not specifically address “advisers” or like functions. However, it may apply should “advisers” be understood as Observers or as Committee members. Clarification is needed.
  60. Ibid., at n. 53.
  61. World Bank Code of Conduct applies for the staff of the Adaptation Fund, GEF and CIFs. See: [http://siteresources.worldbank.org/INTETHICS/Resources/World\\_Bank\\_Group\\_Code\\_Of\\_Conduct\\_11\\_06\\_09.pdf](http://siteresources.worldbank.org/INTETHICS/Resources/World_Bank_Group_Code_Of_Conduct_11_06_09.pdf); Living Our Values. Code of Conduct (February 2013), at [http://siteresources.worldbank.org/INTETHICS/Resources/ethics\\_code\\_2013-Mar13-CRA.pdf](http://siteresources.worldbank.org/INTETHICS/Resources/ethics_code_2013-Mar13-CRA.pdf). In addition, Staff Rule 3.01 also provides updates on duties and responsibilities regarding the receipt and reporting of gifts. See: <https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=258aa82d-b532-4a10-b8dd-401dd6bcabe3>.
  62. Ibid.
  63. Ibid.
  64. The GCF has a number of policies governing the ethics and conflicts of interest of staff. For the Executive Director, see Policy on Ethics and Conflicts of Interest, at [https://www.greenclimate.fund/documents/20182/24952/GCF\\_B.10\\_13\\_Rev.01\\_-\\_Policies\\_on\\_Ethics\\_and\\_Conflicts\\_](https://www.greenclimate.fund/documents/20182/24952/GCF_B.10_13_Rev.01_-_Policies_on_Ethics_and_Conflicts_)



- of\_Interest.pdf/eb7522d6-5284-4467-8de0-f9d7e32759f2; for officials appointed by the Board, see Policy on Ethics and Conflicts of Interest for Board Appointed Officials, at [http://www.greenclimate.fund/documents/20182/226888/GCF\\_B.13\\_21\\_-\\_Policies\\_on\\_ethics\\_and\\_conflicts\\_of\\_interest\\_for\\_other\\_Board\\_appointed\\_officials\\_and\\_active\\_observers.pdf/aa35b360-c39d-4ac0-ac7e-1ea91535f465](http://www.greenclimate.fund/documents/20182/226888/GCF_B.13_21_-_Policies_on_ethics_and_conflicts_of_interest_for_other_Board_appointed_officials_and_active_observers.pdf/aa35b360-c39d-4ac0-ac7e-1ea91535f465). Consultants are required to abide by the Fund's General Principles on Prohibited Practices (GCF/B.11/18: 18 October 2015), which includes avoidance of corruption, fraud, coercion, collusion, abuse, obstruction and conflicts of interest. For staff, the Administrative Guidelines on Human Resources (GCF/B.08/26 of 5 October 2014) applies. However, this document is not publicly disclosed. According to the 2017 Work Plan of the Board ([http://www.greenclimate.fund/documents/20182/620292/B.BM-2017\\_02\\_-\\_Decision\\_of\\_the\\_Board\\_on\\_the\\_Work\\_plan\\_of\\_the\\_Board\\_for\\_2017\\_\\_Proposal\\_from\\_the\\_Co-Chairs.pdf/b03b847e-a698-491a-9cf9-8f2efafa3495](http://www.greenclimate.fund/documents/20182/620292/B.BM-2017_02_-_Decision_of_the_Board_on_the_Work_plan_of_the_Board_for_2017__Proposal_from_the_Co-Chairs.pdf/b03b847e-a698-491a-9cf9-8f2efafa3495)), the Board is to adopt "revised administrative guidelines on human resources", which may elaborate ethical standards of conduct.
65. Technical experts and external advisers who are contracted by the Adaptation Fund, the GEF and the CIFs are subject to World Bank integrity policies equivalent to World Bank staff members (see n. 59). Advisory bodies to the Fund are also covered by the Board's Code of Conduct.
  66. Ibid.
  67. Ibid.
  68. Policy on Ethics and Conflicts for External Members on Panels and Groups, at [https://www.greenclimate.fund/documents/20182/24952/GCF\\_B.10\\_13\\_Rev.01\\_-\\_Policies\\_on\\_Ethics\\_and\\_Conflicts\\_of\\_Interest.pdf/eb7522d6-5284-4467-8de0-f9d7e32759f2](https://www.greenclimate.fund/documents/20182/24952/GCF_B.10_13_Rev.01_-_Policies_on_Ethics_and_Conflicts_of_Interest.pdf/eb7522d6-5284-4467-8de0-f9d7e32759f2).
  69. The term "observers" refers to all registered or accredited participants present at governing body meetings who may be called on to speak or intervene during meetings and who are not governing body members, their advisers, or classified as a fund's staff, consultants or technical experts.
  70. The Adaptation Fund Board does not have an ethics and conflict of interest policy for observers. The Adaptation Fund CSO Network also does not have such a policy for its network members. However, the network has communicated that it is planning to develop such a policy.
  71. Members of the GEF CSO Network may be registered to participate at GEF Council meetings. They may also intervene at Council meetings when called on by the Chair. The members are bound by a Code of Conduct, which the Network has adopted. See: <http://www.gefcsso.org/index.cfm?&menuid=154&parentid=13&lang=EN>. The Code requires ethical behaviour, including the avoidance of conflicts of interest. However, it lacks procedures to disclose interests and conflicts of interest. The Code does not apply to persons who are not Network members.
  72. The CIFs' code of conduct ([https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/code\\_of\\_conduct\\_rev\\_2.pdf](https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/code_of_conduct_rev_2.pdf)) applies to CIF observers. CIF observers are selected by and represent regional constituencies of civil society, private sector and indigenous peoples. They are permitted to speak at meetings. See: [https://www.climateinvestmentfunds.org/sites/default/files/web\\_page\\_roles\\_and\\_responsibilities.pdf](https://www.climateinvestmentfunds.org/sites/default/files/web_page_roles_and_responsibilities.pdf).
  73. The GCF's Rules of Procedure require that Active Observers "disclose any conflict of interest they may have in relation to any items on the agenda and recuse themselves from participating in the proceedings of that item". (See [http://www.greenclimate.fund/documents/20182/574763/GCF\\_policy\\_-\\_Rules\\_of\\_Procedure.pdf/9d55fae7-f4df-45fe-a3f3-754bc0d98e67](http://www.greenclimate.fund/documents/20182/574763/GCF_policy_-_Rules_of_Procedure.pdf/9d55fae7-f4df-45fe-a3f3-754bc0d98e67)). The GCF introduced a more comprehensive Ethics and Conflict of Interest Policy for Active Observers at its 17th Board meeting in July 2017. However, the policy was withdrawn from Board decision at the request of Active Observers, on the basis that some proposed provisions unnecessarily infringed on the freedoms of CSOs, that the policy should undergo legal review, and that there should be consultations regarding the policy.
  74. The Adaptation Fund's policies (see n. 50, *supra*) do not address gift receiving or giving by Board members or any other fund actors. However, the World Bank's rules (see n. 59, *supra*) do apply to staff and consultants.
  75. This standard addresses ethics policies applicable to the fund governing bodies and other persons (covered individuals) with an ability to exert an influence over governing body matters, and to the staff of the secretariats of the funds. Regarding the latter, the World Bank's ethics rules apply to the secretariat staff of the Adaptation Fund, the

- GEF and the CIFs. The World Bank's Staff Rule 3.01 – Standards of Professional Conduct (Rev. September 2016) requires that gifts received over a cumulative value of US\$ 100 by any staff in a 12-month period must be reported and surrendered to the Asset Management Unit, General Services Department (see <https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=258aa82d-b532-4a10-b8dd-401dd6bcabe3>). The World Bank's Code of Conduct is expected to be updated to reflect this revision, in conjunction with the ongoing review of the World Bank's corporate values in autumn 2017. The GCF's Administrative Guidelines on Procurement GCF/B.08/31 and the Administrative Guidelines on Human Resources GCF/B.08/26 (both adopted in October 2014) provide detailed guidance and rules regarding the receipt, reporting and surrender of gifts for GCF staff. With respect to policies applicable to governing body members and covered individuals, the GEF, the CIFs and the GCF policies and procedures require that gifts be reported and registered. The GEF's Ethics Committee established by Facility's new ethics policy has developed a declaration of interests, which includes a reporting line on gifts. The form states that the gift reports are to be maintained by the World Bank's Ethics and Business Conduct Vice Presidency. This procedure is expected to be introduced in November 2017. The CIFs' Code requires that gifts be reported to the CIF Administrative Unit, which maintains a registry. The GCF's ethics and procurement policies impose reporting and registry requirements. However, the Adaptation Fund's ethics policies do not impose requirements for reporting gifts or for the maintenance of a gift registry.
76. This standard refers to the training conducted as a preventative measure for both staff and covered individuals, to ensure they understand the applicable ethical rules and procedures. The staff of the Adaptation Fund, the CIFs and the GEF are required, as World Bank employees, to undergo ethics training relevant to their Code of Conduct and staff rules. However, the ethics policies of these funds do not require that covered individuals undergo integrity training, or that such training be provided. The GEF and CIFs policies do designate persons or bodies which perform an advisory function to support covered individuals on a needs basis. While this is also important, an effective preventive approach would enable a regular training programme, in particular for the induction of new persons. At the GCF, ethics training for staff is being developed in conjunction with the Independent Integrity Unit's mandate to promote integrity standards fund-wide.
77. This concerns fund-level financial management, reporting and independent auditing requirements.
78. The Adaptation Fund is required to ensure sound financial management. See: <http://unfccc.int/resource/docs/2006/cmp2/eng/10a01.pdf#page=28>. The Fund's policy requires that the Fund's Trustee produces regular financial reports and audited financial statements on relevant incomes and expenditures (see <https://www.adaptation-fund.org/about/governance/trustee/>). The Secretariat adheres to the World Bank's internal financial management policies.
79. The GEF's financial management policies and procedures are housed centrally on its website, at <http://www.thegef.org/about/funding>. The framework policy is explained in the GEF Instrument and its Annex B, at [https://www.thegef.org/sites/default/files/documents/GEF\\_Instrument-Interior-March23.2015.pdf](https://www.thegef.org/sites/default/files/documents/GEF_Instrument-Interior-March23.2015.pdf). The Secretariat adheres to the World Bank's internal financial management policies.
80. The CIFs' financial management policies, procedures and information are sourced centrally on its website, at <https://www-cif.climateinvestmentfunds.org/about/finances>. The Administrative Unit adheres to the World Bank's internal financial management policies.
81. The GCF has concluded an agreement with the World Bank to serve as the interim trustee of the GCF (see [http://www.greenclimate.fund/documents/20182/24937/GCF\\_B.05\\_22\\_-\\_Agreements\\_with\\_the\\_Interim\\_Trustee.pdf/40cb9313-1bf2-4376-bd41-253095f3e304](http://www.greenclimate.fund/documents/20182/24937/GCF_B.05_22_-_Agreements_with_the_Interim_Trustee.pdf/40cb9313-1bf2-4376-bd41-253095f3e304)). Information about and links to the trustee reports are housed under the GCF's Resource Mobilisation section, at <http://www.greenclimate.fund/how-we-work/resource-mobilization/trustee-of-gcf>. Independent financial audit reports of the Secretariat's finances are found at the "Secretariat" webpage: <http://www.greenclimate.fund/who-we-are/secretariat>. Policies are in place regarding fiduciary risk management and internal control frameworks, and financial reporting accounting and audit standards (see Decision B.08/18 regarding document GCF/B.08/27 Commencement of Annual Reporting and the External Auditing Process, at [http://www.greenclimate.fund/documents/20182/24946/GCF\\_B.08\\_45\\_-\\_](http://www.greenclimate.fund/documents/20182/24946/GCF_B.08_45_-_)

- Decisions\_of\_the\_Board\_-\_Eighth\_Meeting\_of\_the\_Board\_\_14-17\_October\_2014.pdf/1dd5389c-5955-4243-90c9-7c63e810c86d; [http://www.greenclimate.fund/documents/20182/24964/BM-2015\\_06\\_-\\_Decision\\_of\\_the\\_Board\\_on\\_the\\_Administrative\\_Guidelines\\_on\\_the\\_Internal\\_Control\\_Framework\\_and\\_Internal\\_Audit\\_Standards.pdf/2dbdf1d8-71ad-40b3-888a-42eb71162de5](http://www.greenclimate.fund/documents/20182/24964/BM-2015_06_-_Decision_of_the_Board_on_the_Administrative_Guidelines_on_the_Internal_Control_Framework_and_Internal_Audit_Standards.pdf/2dbdf1d8-71ad-40b3-888a-42eb71162de5); Decision B.07/05, at [http://www.greenclimate.fund/documents/20182/24943/GCF\\_B.07\\_11\\_-\\_Decisions\\_of\\_the\\_Board\\_-\\_Seventh\\_Meeting\\_of\\_the\\_Board\\_\\_18-21\\_May\\_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b](http://www.greenclimate.fund/documents/20182/24943/GCF_B.07_11_-_Decisions_of_the_Board_-_Seventh_Meeting_of_the_Board__18-21_May_2014.pdf/73c63432-2cb1-4210-9bdd-454b52b2846b)).
82. In principle, all funds require that their institutional procurement processes are fair and transparent and apply safeguards for that purpose. The Adaptation Fund, GEF and CIFs institutional procurement are governed by the World Bank's procurement policy (<http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-policies-and-guidance>). The GCF's policy is based on its Administrative Guidelines on Procurement (see [http://www.greenclimate.fund/documents/20182/574763/GCF\\_policy\\_-\\_Administrative\\_Guidelines\\_on\\_Procurement.pdf/b767d68e-f8b7-46d1-a18c-b6541f3dc010](http://www.greenclimate.fund/documents/20182/574763/GCF_policy_-_Administrative_Guidelines_on_Procurement.pdf/b767d68e-f8b7-46d1-a18c-b6541f3dc010)). However, the GCF Board is expected to review and adopt revised procurement guidelines at its 18th Board meeting in October 2017.
83. The Adaptation Fund, GEF and CIFs apply the World Bank's anti-money laundering and due diligence policies: for example, the Reference Guide to Anti-Money Laundering and Combating the Financing of Terrorism (<http://www.imf.org/external/pubs/cat/longres.aspx?sk=20274.0>). The GCF is developing an anti-money laundering and counter terrorism financing policy, which is expected to be adopted at its 18th Board Meeting in October 2017.
84. See Fiduciary standards, at [www.adaptation-fund.org/sites/default/files/AFB.B.6.4\\_Fiduciary\\_Standards.pdf](http://www.adaptation-fund.org/sites/default/files/AFB.B.6.4_Fiduciary_Standards.pdf); Accreditation application, at <https://www.adaptation-fund.org/apply-funding/accreditation/accreditation-application/>; Operational Policies and Guidelines for Parties to access Resources from the Adaptation Fund, at <https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-amended-in-March-2016.pdf>; and the Fund's legal agreements with implementing entities, at <https://www.adaptation-fund.org/wp-content/uploads/2011/10/Revised-AGREEMENT-as-of-Mar-2017-1.pdf>.
85. GEF: Fiduciary standards, at [https://www.thegef.org/sites/default/files/documents/GA.PL\\_02\\_Minimum\\_Fiduciary\\_Standards\\_0.pdf](https://www.thegef.org/sites/default/files/documents/GA.PL_02_Minimum_Fiduciary_Standards_0.pdf); legal agreements with GEF Agencies, at <http://www.thegef.org/agency-mob-financial-procedures-agreement>.
86. See: <https://www.climateinvestmentfunds.org/about/transparency-accountability>.
87. See accreditation application form, at [https://www.greenclimate.fund/documents/20182/319135/1.5.1\\_-\\_Application\\_Form.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231](https://www.greenclimate.fund/documents/20182/319135/1.5.1_-_Application_Form.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231); fiduciary standards, at [http://www.greenclimate.fund/documents/20182/319135/1.6\\_-\\_Fiduciary\\_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd](http://www.greenclimate.fund/documents/20182/319135/1.6_-_Fiduciary_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd).
88. *Ibid.*, at n. 82.
89. *Ibid.*, at n. 83.
90. See <https://www.climateinvestmentfunds.org/about/finances>.
91. *Ibid.*, at n. 85.
92. *Ibid.*, at n. 82.
93. *Ibid.*, at n. 83.
94. African Development Bank (AfDB): [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Procurement/Project-related-Procurement/Review\\_of\\_AfDB%E2%80%99s\\_Procurement\\_Policy\\_Procedures\\_and\\_Processes\\_-\\_Policy\\_Framework\\_Paper.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Procurement/Project-related-Procurement/Review_of_AfDB%E2%80%99s_Procurement_Policy_Procedures_and_Processes_-_Policy_Framework_Paper.pdf); Asian Development Bank (ADB): <https://www.adb.org/documents/procurement-guidelines>; Inter-American Development Bank (IADB): [www.iadb.org/en/projects/project-procurement,8148.html](http://www.iadb.org/en/projects/project-procurement,8148.html); <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35225030> (section 12a); European Bank for Reconstruction and Development (EBRD): [www.ebrd.com/image/1395237753067.png](http://www.ebrd.com/image/1395237753067.png) (para.3); World Bank: [www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework](http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework).
95. *Ibid.* at n. 85.
96. The Fund's policy on anti-money laundering is not clearly stated in its Operational Policies and Guidelines. However, money laundering is inconsistent with the Fund's Operational Policies and Guidelines, and is thereby prohibited in Standard Legal Agreements. On this basis, applicant Implementing Entities are vetted on

the basis of their anti-money laundering policies and track records. However, the scope of what is vetted is not stated in the accreditation criteria. Moreover, at its 28th Board meeting in October 2016, the Board adopted the recommendation of its Accreditation Panel to not include anti-money laundering and countering financing of terrorism as additional criteria for accreditation, on the grounds that these are covered in the model legal agreements under corruption and illegal activities. Rather, the Panel suggested that “the issue could be considered as part of capacity building through raising awareness on the AML/CFT among the implementing entities”.

97. The GEF’s policy on anti-money laundering with regard to GEF Agencies is not clearly stated in its Minimum Fiduciary Standards for GEF Agencies. However, the risk-based approach and financial management requirements could cover key preventative, due diligence measures. The provisions in the Financial Procedures Agreements and memorandums of understating with GEF Agencies would also prohibit money laundering activities.
98. The implementing entities’ policies apply.
99. *Ibid.*, at n. 85, *supra*.
100. Complaints-handling mechanisms may accept a wide range of complaints, which include but are not limited to those which involve corruption, fraud or other prohibited practices.
101. The World Bank policy applies to any report by or regarding staff of the secretariat of the Adaptation Fund, the GEF and the CIFs. It covers most of the elements listed in the left-hand column. However, information on the World Bank’s website regarding stakeholder outreach and internal/external training could not be found (see: <http://www.worldbank.org/en/about/unit/integrity-vice-presidency/report-an-allegation>, and the Protections and Procedures for Reporting Misconduct, at [http://siteresources.worldbank.org/NEWS/Resources/DraftsStaffRule8\\_02.pdf](http://siteresources.worldbank.org/NEWS/Resources/DraftsStaffRule8_02.pdf))).
102. *Ibid.*, at n. 99. The Adaptation Fund operates its Ad Hoc Complaints-Handling Mechanism (<https://www.adaptation-fund.org/projects-programmes/accountability-complaints/ad-hoc-complaint-handling-mechanism-achm/>). The mechanism covers eligible grievances from “Complainants living in the project area [who] believe they are adversely affected by the implementation of projects or programmes financed by the Fund”.

While this is clear, the standing limitation would exclude complaints brought by witnesses. The Fund’s Secretariat is responsible for managing “all aspects related to complaint handling” and carries out this function under “the oversight of the Ethics and Finance Committee of the Adaptation Fund Board”. As the Secretariat is to function independently (Appendix to decision 1/CMP.4, Annex II), the Manager of the Fund’s Secretariat is selected and appointed by the Board (decision B.29/44) and reports to the Board directly on the handling of all complaints. The Secretariat is not empowered to conduct investigations but can acquire independent investigative services on a needs basis. Regarding whistleblower protection, the Fund offers confidentiality but not anonymity. The Fund has not yet included a stakeholder engagement or communications strategy as a part of its complaint-handling package. The Fund may wish to develop this, building on its capacity-building programmes for accredited entities, which have included a couple of sessions on training on integrity, transparency and accountability (see <https://www.adaptation-fund.org/readiness/news-seminars/>).

103. *Ibid.*, at n. 99. The GEF’s Conflict Resolution Commissioner is mandated to address complaints, including those related to corruption. The function is explained on the GEF’s website, at <https://www.thegef.org/content/conflict-resolution-commissioner>, and in the GEF’s Policy on Agency Minimum Standards on Environmental and Social Safeguards, at [https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.10.Rev\\_1.Policy\\_on\\_Environmental\\_and\\_Social\\_Safeguards.Final%20of%20Nov%2018.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.10.Rev_1.Policy_on_Environmental_and_Social_Safeguards.Final%20of%20Nov%2018.pdf). The GEF Conflict Resolution Commissioner is a Secretariat staff and reports to the CEO. As such, the independence of the function is not complete. The Conflict Resolution Commissioner is not empowered to investigate cases. However, on a needs basis the GEF may procure independent investigative services. Regarding whistleblower protection, the GEF ensures that both confidential and anonymous complaints are eligible for review. Concerning stakeholder engagement, the GEF’s Conflict Resolution Commissioner webpage has been updated to clearly explain how stakeholders may make complaints and report corruption. The site also explains the GEF’s outreach programme, which includes facilitating “dialogue among stakeholders (using corporate activities such as the National Dialogues), mediating/resolving issues, enhancing the GEF’s internal climate of trust and transparency, and developing lessons to improve



future operations. The GEF also undertakes a systematic effort to raise awareness about the conflict resolution commissioner function through the Country Support Programme and other suitable venues.” However, evidence that this is happening is missing – more can be done to demonstrate that this is effective. The GEF’s Public Involvement Policy is currently under revision, with a view to the adoption of an improved policy by December 2017 (see <https://www.thegef.org/council-meeting-documents/steps-taken-enhance-gefs-transparency-accountability-and-integrity>). This revised policy may encompass principles and guidelines which provide direction on how the GEF Secretariat and the GEF Partner Agencies should reach out to and support stakeholders to engage with their anti-corruption hotlines and grievance mechanisms. Similarly, regarding training, it is recognised that the GEF supports country-level capacity building on a wide range of topics related to GEF policies and projects. The GEF conducts regular Expanded Constituency Workshops at sub-regional levels, which involve country-level stakeholders. At the workshops, civil society is offered a space to discuss issues which they deem to be important. A review of the agendas and materials presented at these workshops showed that in some cases stakeholder engagement was discussed (see, for example: <https://www.thegef.org/events/gef-ecw-pacific-islands>; <https://www.thegef.org/events/gef-ecw-seychelles>; <https://www.thegef.org/events/gef-ecw-nairobi-kenya>). However, specific trainings on how stakeholders can access and use anti-corruption hotlines, grievance mechanisms and whistleblower/witness protection could not be identified. The GEF Secretariat has confirmed that such topics are integrated in general presentations. The Conflict Resolution Commissioner also affirmed that he has provided such trainings. GEF Agencies may also be undertaking such trainings in implementing projects. However, evidence that such trainings are taking place is still not readily visible on the GEF’s website. More needs to be done to demonstrate this and to build a body of knowledge and training resources to support stakeholders in bringing forward their concerns and reporting fraud. As the GEF’s stakeholder engagement policies are being revised this year, the opportunity exists for such training to be explicitly integrated in future operations and programmes.

104. *Ibid.*, at n. 99. The CIFs clarify that: “Suspected fraud and corruption in CIF financed operations, as well as allegations regarding misconduct of officials, employees or consultants involved in

CIF-financed operations can be reported through the accountability, integrity, and anti-corruption mechanisms of the multilateral development banks”. The CIFs provide direct links to the anti-corruption hotlines of each of their implementing entities (see <https://www.climateinvestmentfunds.org/about/transparency-accountability>). Each entity covers most of the elements listed in the left-hand column. Additionally, the CIFs ensure that most of their projects operate grievance and redress mechanisms for project-affected communities. The grievance and redress mechanisms are tailored to the project’s expected impacts, and have the potential to provide quick resolution. However, information could not be found on the CIFs website regarding stakeholder outreach and internal/ external training to support the usage of such hotlines (see: <https://www.climateinvestmentfunds.org/about/stakeholders>).

105. The GCF has established its Independent Integrity Unit, which is responsible, inter alia, for reviewing and investigating complaints (see: <http://www.greenclimate.fund/independent-integrity-unit>). The Unit became operational in 2017 and has since made itself available to receive and investigate complaints from staff and external members. The Unit’s work plan (GCF B.15/20), adopted in December 2016, commits to developing and seeking the adoption of policies governing reporting, investigations and whistleblower protection, or protections against retaliation, in relation to prohibited practice. It also includes developing training and stakeholder outreach actions. The Independent Integrity Unit has actively engaged in GCF structured dialogues with stakeholders. At the time of writing this report, such policies remain under development. In the interim, the Unit has developed a webpage to provide information on how to report fraud. Internally, the GCF’s Administrative Guidelines on Human Resources (GCF/B.08/26) deals with disciplinary and investigative actions which should be followed when staff are alleged to have acted corruptly.
106. The best practice standard applied here regarding independence is that the head of a complaints-handling mechanism reports directly to a board or governing body and not to management. The independence of the function should not be compromised by employment issues.
107. The Adaptation Fund does not have a formal appeals procedure which enables relevant stakeholders, including Implementing Entities and governments, to appeal decisions by the

- Board or to request that decisions be reviewed or explained. Recognising the importance of this issue, the Adaptation Fund CSO Network suggests that creating an “Independent Accountability and Transparency Panel or Group” within the Fund, comprising representatives from Independent Entities, governments and civil society, might be a constructive way to address this current gap.
108. The GEF is lacking an official appeals policy or procedure under which third parties can request that project decisions by the GEF CEO ([www.thegef.org/about/funding/project-types](http://www.thegef.org/about/funding/project-types)) and Operational Focal Points ([www.thegef.org/documents/operational-focal-point-endorsement-template-august-2016](http://www.thegef.org/documents/operational-focal-point-endorsement-template-august-2016)) be explained, reviewed or revoked. Equally, an appeal procedure with regard to Council decisions to accredit new GEF Partner Agencies is lacking.
  109. The CIFs are lacking a formal appeal procedure. Instead, the Administrative Unit has explained that the Trust Fund Committees’ decision-making is by consensus, “with the presence and contribution of observers and are disclosed in a timely manner”, and “for the decisions related to approval of projects and programs, the observers have the opportunity to provide comments” (Administrative Unit response to Transparency International questionnaire, 21 July 2016). These procedures limit the possibility for appeals. However, these procedures do not rule out the possibility that stakeholders who are “not in the room” may wish to file an objection, and make an appeal to request explanations regarding decisions taken.
  110. Interim Procedures for Redress: Reconsideration of Funding Decisions, at [http://www.greenclimate.fund/documents/20182/226888/GCF\\_B.13\\_17\\_-\\_Interim\\_Procedures\\_for\\_Redress\\_\\_Reconsideration\\_of\\_Funding\\_Decisions.pdf/8ec3461c-d641-4d74-8887-818922449cab](http://www.greenclimate.fund/documents/20182/226888/GCF_B.13_17_-_Interim_Procedures_for_Redress__Reconsideration_of_Funding_Decisions.pdf/8ec3461c-d641-4d74-8887-818922449cab).
  111. None of the funds have a specific sanctions policy in place. However, each fund has determined specific sanctions or penalties which should be imposed in the event of the misuse, abuse or corruption of fund resources.
  112. The Fund’s sanctions policy is described in its Risk Management Framework and Operational Guidelines (<https://www.adaptation-fund.org/documents-publications/operational-policies-guidelines/>) and in its Standard Legal Agreement (<https://www.adaptation-fund.org/documents-publications/legal-documents/>). All of the sanctions listed below are included in these policy and legal documents.
  113. The compliance terms of the Financial Procedure Agreements vary depending on the signatories. Most of the Agreements provide that the “Trustee may suspend any further commitment and/or cash transfer of GEF Trust Fund funds to (the Agency) until such time as the non-compliance is resolved to the reasonable satisfaction of the Trustee”. However, such a provision is absent in the Agreements with UNEP and the World Bank. The Agreements do not require that funds lost to corruption or fraud should be returned to the GEF. However, the CEO may also cancel a project on the basis of detection of corruption or fraudulent practices during procurement of a contract, if this is confirmed by the GEF Partner Agencies in accordance with their policies and procedures, where the grantee/borrower has failed to take action acceptable to the GEF to remedy the situation (see GEF/C.31/07). The GEF does not have a policy or procedures in place to suspend the accreditation or to disaccredit its Project Agencies.
  114. Although the Financial Procedures Agreements are not disclosed, according to available information, the Administrative Unit of the CIFs attests that in the event that a multilateral development bank does not comply with its responsibilities in the use of CIFs funds, “there is a procedure in place to suspend any further commitment and/or cash transfer of Climate Investment Funds Trust Funds to the multilateral development bank until such time as the multilateral development bank has taken appropriate measures.” This does not include a requirement that climate funds lost to corruption should be repaid to the Funds. As the CIFs’ implementing entities are not accredited, no penalties relating to accreditation exist.
  115. The GCF’s sanctions policy regarding implementing entities is best captured in its Accreditation Master Agreement and in its General Principles on Prohibited Practices ([https://www.greenclimate.fund/documents/20182/319135/Accreditation\\_Master\\_Agreement\\_Template.pdf/8c4f6cbf-ae17-4856-81c1-64ac8fbfa506](https://www.greenclimate.fund/documents/20182/319135/Accreditation_Master_Agreement_Template.pdf/8c4f6cbf-ae17-4856-81c1-64ac8fbfa506)).
  116. For the purpose of this study, “stakeholder” is defined in relation to the funds as any individual, community, group, or organisation whose interests, assets or activities are impacted by or can affect (negatively or positively) the funds’ policies, practices, programmes, projects or other actions, but which do not have or are not seeking a direct, legally binding contractual relationship with the



funds. Broadly, this includes CSOs, indigenous peoples, local communities, and private sector actors. Also, stakeholder engagement includes policies and practices concerning the participation of observers in governing body meetings.

117. See Rules of procedure of the Adaptation Fund Board, at <https://www.adaptation-fund.org/wp-content/uploads/2015/01/Rules%20of%20procedure%20of%20the%20Adaptation%20Fund%20Board.pdf>. Observer participation in Board meetings is open to UNFCCC-accredited organisations and is not limited through a formal or informal selection process. While this scope is wide and participation can be diverse, the actual space and scope of engagement at meetings is limited. Observers do not have a seat at the table and they are not able to intervene on any agenda item – even prior to the close of an agenda topic. The Fund’s practice has been to permit a consultation with civil society during its Board meeting for a one- to two-hour session. In some instances, this event was timed following a series of Board decisions – which rendered civil society inputs on the concluded agenda items inoperable. In addition, the consultations are organised by the Adaptation Fund CSO Network, in collaboration with the Fund’s Secretariat. The Network normally sets the agenda and determines who will present during the consultation. There are no formal arrangements between the Network and the Fund, however, and it is largely focused on representing civil society interests. As such, space for a wide range of stakeholders to engage – in particular, the private sector – is lacking. Regarding online engagement and information sharing, there is no page or section which explains Fund-level engagement with civil society, and information is absent on how to participate in Board meetings and how to make contributions to them, including at the national level. The Fund does not provide resources to support the participation of observers at Board meetings. However, the Fund does provide a procedure to solicit inputs to project proposals prior to Board approvals (see <https://www.adaptation-fund.org/projects-programmes/proposals-concepts-under-review/>). A similar procedure does not exist regarding the accreditation or re-accreditation of implementing entities. However, proposed Board decisions on the matters are available online in advance of Board meetings, which permits stakeholders to be informed and to provide (unsolicited) inputs. The Adaptation Fund does not have a specific policy on project/country-level stakeholder engagement. However, it has numerous policies which require and recommend

full project cycle engagement with a wide range of stakeholders. These include the Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy ([https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance\\_Revised-in-June-2016\\_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance_Revised-in-June-2016_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf)); the Environmental and Social Policy ([https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016\\_-OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf](https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016_-OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf)); and Operational Policies and Guidelines (<https://www.adaptation-fund.org/wp-content/uploads/2017/08/OPG-amended-in-March-2016.pdf>).

118. GEF policies and practices on stakeholder engagement with civil society and the private sector are outlined at bespoke webpages: <https://www.thegef.org/partners/csos>; <https://www.thegef.org/topics/private-sector>. The Rules of Procedure for the GEF Council ([http://www.thegef.org/sites/default/files/publications/11488\\_English\\_2.pdf](http://www.thegef.org/sites/default/files/publications/11488_English_2.pdf)) state that non-governmental organisations may be invited by the GEF Secretariat CEO to participate as observers at Council meetings. At Council meetings, these observers may be invited by the Chair to address the GEF Council. To be invited, one needs to complete a registration process and be approved or selected by the GEF Secretariat. While not required, representatives of civil society and indigenous peoples’ groups, local communities and other non-profit organisations usually join and participate as members of the GEF CSO Network. The GEF CSO Network is allocated a name tent and a back-row seat at GEF Council meetings, and is usually invited by the Chair to intervene on each agenda item after the Council has concluded its discussions on the agenda item. It is unclear how or if observers who are not members of the CSO Network may intervene at Council meetings. In addition, a civil society consultation with the GEF Council is held one day in advance of GEF Council meetings (see <https://www.thegef.org/documents/relations-ngos>). The agenda of these consultations is normally proposed by the Network and agreed by the GEF Secretariat. While the consultations are open in terms of participation, the space tends to be occupied by Network members. A similar space is not provided for other observers – in particular, for the private sector. Normally, the attendance rate by Council members is less than 25%. The GEF Secretariat provides limited travel cost support to selected non-governmental participants at

GEF Council meetings, replenishment meetings and Expanded Constituency Workshops. On project/country-level stakeholder engagement, GEF policies clearly state that stakeholders should be consulted throughout project cycles, including at the pre-approval or appraisal stage. GEF Agencies should conduct such project consultations at relevant country or regional levels. In addition, stakeholders may provide inputs on proposed projects (for Council approval) which are posted online well in advance of Council meetings (see Instrument for the Establishment of the Restructured GEF, at <https://www.thegef.org/documents/instrument-establishment-restructured-gef>; Public Involvement in GEF Projects (GEF/C.7/6), [https://www.thegef.org/sites/default/files/council-meeting-documents/C.7.6\\_1.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.7.6_1.pdf); GEF's Private Sector Engagement in Climate Finance, at: <https://www.thegef.org/publications/gefs-private-sector-engagement-climate-finance>; [https://www.thegef.org/projects?f\[\]=field\\_p\\_latesttimelinestatus:686](https://www.thegef.org/projects?f[]=field_p_latesttimelinestatus:686)). In September 2017, the GEF improved its web section dealing with civil society to explain how stakeholders may formally provide inputs at the country/project level and at the global level. This new initiative of providing clear guidance is welcomed. Regarding the accreditation of GEF Agencies, stakeholders may provide inputs in response to proposed Council decisions in advance of meetings. Meeting documentation, however, does not reflect or take account of stakeholder inputs regarding concerns or support of the accreditation of any candidate Agencies (see [http://www.thegef.org/sites/default/files/council-meeting-documents/Highlights\\_2.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/Highlights_2.pdf); [http://www.thegef.org/sites/default/files/council-meeting-documents/Highlights\\_43rd\\_GEF\\_Council\\_Meeting\\_1.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/Highlights_43rd_GEF_Council_Meeting_1.pdf)). The GEF also introduced discussion on accreditation at its Expanded Constituency Workshops. However, available documentation does not reflect what views were expressed and taken into account. The GEF would benefit from a formal process which would ensure stakeholders, including civil society, are consulted and that their views are sufficiently represented to inform Council decisions. The GEF's policy on engagement with civil society at Council meetings is currently under review. The GEF Council set up a working group of Council members and civil society representatives to develop a new vision and engagement policy. In September 2017, the GEF initiated a public consultation for reforms, including regarding the idea that civil society participants may "be given the floor during Council discussions in the order in which they ask to speak, together with Council members". This recommendation, amongst

others, may be adopted at the GEF Council meeting in November 2017.

119. The CIFs arrange for regional (Latin America, Africa, Asia-Pacific and Developed countries) observer representation from civil society, indigenous peoples and the private sector. Observers are selected by their constituencies through a facilitated voting process. Observer participation in Committee meetings is limited to those selected representatives. See Observers in the CIF Governing Bodies, at <https://www-cif.climateinvestmentfunds.org/about/stakeholders>. CIF observers may freely intervene at Committee meetings and sit with Committee members at the same table. (See [https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/joint\\_5\\_observers\\_in\\_the\\_cif\\_governing\\_bodies\\_0\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/joint_5_observers_in_the_cif_governing_bodies_0_0.pdf); [http://www-cif.climateinvestmentfunds.org/sites/default/files/web\\_page\\_roles\\_and\\_responsibilities.pdf](http://www-cif.climateinvestmentfunds.org/sites/default/files/web_page_roles_and_responsibilities.pdf)). Travel costs for Observers from developing countries are supported by the Funds. See Guidelines for Inviting Representatives of Civil Society to Observe Meetings of the CIF Trust Fund Committees, at <http://www-cif.climateinvestmentfunds.org/sites/default/files/Guidelines%20for%20Inviting%20Reps%20of%20Civil%20Society...pdf>. The CIFs also organise Partnership Forums to facilitate stakeholder networking and support. Also, the CIFs are developing a Stakeholder Advisory Network which is meant to support multi-stakeholder actions to safeguard the effective, efficient and beneficial use of climate finance. CIF Observers are able to comment on all Committee decisions, including project approvals. The last criterion is not applicable, as implementing entities are not accredited.
120. The GCF has a policy on Arrangements for observer participation in the Board meetings (see: [http://www.greenclimate.fund/documents/20182/24925/GCF\\_B.01-12\\_03\\_-\\_Arrangements\\_for\\_Observer\\_Participation\\_in\\_the\\_Board\\_Meetings.pdf/b8684b81-7f4f-4613-bbf3-462621a092cc](http://www.greenclimate.fund/documents/20182/24925/GCF_B.01-12_03_-_Arrangements_for_Observer_Participation_in_the_Board_Meetings.pdf/b8684b81-7f4f-4613-bbf3-462621a092cc)). That policy is based on the GCF's Governing Instrument and Rules of Procedure (see: <http://www.greenclimate.fund/boardroom/board-members>). The GCF accredits civil society, private sector and international organisations to participate as observers at its meetings (<http://www.greenclimate.fund/how-we-work/tools/observer-directory/civil-society>). Of these observers, the GCF recognises a total of four Active Observers, representing civil society and the private sector in developed and developing

countries. The GCF's observer participation policy outlines that Active Observers "could be allowed to: (a) Request items to be added to the provisional agenda before Board meetings; (b) Recommend to the Co Chairs external experts to speak on a specific agenda item; and (c) Request the floor to make oral interventions in open segments of the meetings of the Board". In practice, Active Observers are permitted to speak after the Board has concluded its discussions on any particular agenda and item, subject to the discretion of the co-chairs. The policy also suggests the possibility of holding consultations with Observers in advance of Board meetings. In practice, this usually happens on the first day of Board meetings, for one to two hours. The policy also states that the GCF could fund the participation of developing and developed country observers at Board meetings, and the co-chairs have signalled openness to helping Active Observers from developing countries. The Fund does not have a specific country/project-level stakeholder engagement policy. However, the GCF's legal agreements with accredited entities and its Initial Monitoring and Accountability Framework for Accredited Entities provide that stakeholders should be consulted and engaged throughout project cycles: [http://www.greenclimate.fund/documents/20182/76153/DECISION\\_B.11\\_10\\_-\\_Initial\\_monitoring\\_and\\_accountability\\_framework\\_for\\_accredited\\_entities.pdf/b06dddfc-2d18-4675-9d2f-d3e81de6ba99](http://www.greenclimate.fund/documents/20182/76153/DECISION_B.11_10_-_Initial_monitoring_and_accountability_framework_for_accredited_entities.pdf/b06dddfc-2d18-4675-9d2f-d3e81de6ba99). Also, a main focus of the GCF's readiness support is developing stakeholder engagement programmes in recipient countries (GCF/B.17/Inf.06; GCF/B.17/10). The GCF does not operate a formal process to solicit stakeholder feedback on project proposals or the accreditation of its implementing entities. However, the often delayed (and unpredictable) online publication of proposed projects and accreditation decisions has greatly hampered stakeholder inputs. Notably, the observer participation policy provides: "Documents for a meeting will be published on the Green Climate Fund website at least two weeks before the meeting, unless Co-Chairs have decided that documents should be restricted for internal use by the Board members."

121. Adaptation Fund: See Operational Policies and Guidelines (<https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-amended-in-March-2016.pdf>); Risk Management Framework (<https://www.adaptation-fund.org/document/risk-management-framework/>); Adaptation Fund Accreditation Application (<https://www.adaptation-fund.org/apply-funding/accreditation/accreditation-application/>).

adaptation-fund.org/apply-funding/accreditation/accreditation-application/). GEF: see Minimum fiduciary standards ([http://www.thegef.org/sites/default/files/documents/GA.PL\\_.02\\_Minimum\\_Fiduciary\\_Standards\\_0.pdf](http://www.thegef.org/sites/default/files/documents/GA.PL_.02_Minimum_Fiduciary_Standards_0.pdf)). CIFs: see <http://www-cif.climateinvestmentfunds.org/about/transparency-accountability>. GCF: see Fiduciary standards ([http://www.greenclimate.fund/documents/20182/319135/1.6\\_-\\_Fiduciary\\_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd](http://www.greenclimate.fund/documents/20182/319135/1.6_-_Fiduciary_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd)) and accreditation application ([http://www.greenclimate.fund/documents/20182/319135/1.5.1\\_-\\_Application\\_Form.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231](http://www.greenclimate.fund/documents/20182/319135/1.5.1_-_Application_Form.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231)).

122. *Ibid.* However, the Adaptation Fund requires that implementing entities have self-investigative functions which are objective. However, it does not stipulate that such functions should be independent.
123. According to the Adaptation Fund Secretariat, the Fund now requires that implementing entities must provide whistleblower protection for non-staff reports. However, the other funds do not specifically require that implementing entities afford whistleblower protection to non-staff reporters. The GEF requires that its Agencies provide whistleblower protection, but that protection may not apply to reporters who are not staff of the implementing entities. In the case of the CIFs, the whistleblowing policies of the implementing entities apply for both staff and non-staff reporters (see ADB: <https://www.adb.org/sites/default/files/page/149087/ao2-10.pdf>; IDB: <http://www.iadb.org/en/about-us/integrity-and-transparency,6104.html>; AfDB: <https://www.afdb.org/fileadmin/uploads/afdb/Documents/Policy-Documents/18136242-EN-WHISTLE-BLOWING-POLICY-FINAL-FINAL-WKF.PDF>; EBRD (mixed): <http://www.ebrd.com/integrity-and-compliance.html>; World Bank: [http://siteresources.worldbank.org/NEWS/Resources/DraftsStaffRule8\\_02.pdf](http://siteresources.worldbank.org/NEWS/Resources/DraftsStaffRule8_02.pdf)). The GCF requires that accredited entities have "Policies and procedures for whistle blower protection." However, the scope of such protection, including whether coverage is offered to both staff and non-staff reporters, is not clarified in available accreditation-related forms and guidance. See <http://www.greenclimate.fund/how-we-work/getting-accredited>.
124. The Fund's Standard Legal Agreement with Implementing Entities provides that acts of corruption can give rise to an Entity's obligation

- to refund money lost in that connection (see <https://www.adaptation-fund.org/wp-content/uploads/2011/10/Revised-AGREEMENT-as-of-Oct-2015.pdf>). The Agreement also stipulates that Implementing Entities must include provisions in their contracts with an Executing Entity that the latter “undertakes to use reasonable efforts, consistent with its standard practices and procedures, including those pertaining to combating financing for terrorists, to ensure that the Grant funds ... are used for their intended purposes and are not diverted to terrorists.” According to the Fund’s Secretariat, this clause means that Executing Entities are bound by the same anti-corruption and integrity safeguards which the Implementing Entities are obliged to uphold. However, as the provision is broad, it may require further clarification.
125. No documentation could be found on the GEF website which clarifies that GEF Agencies should or do apply sanctions or penalties in relation to their executing entities or subcontractors. Many of them may do but this is not made clear on the GEF’s website.
  126. The CIF implementing entities have sanctions policies in place (World Bank: <http://www.worldbank.org/en/about/unit/integrity-vice-presidency/sanctions-compliance>; ADB: <https://www.adb.org/site/integrity/sanctions>; IADB: <http://www.iadb.org/en/about-us/idb-sanctions-system,8619.html>; AfDB: <https://www.afdb.org/en/projects-and-operations/procurement/debarment-and-sanctions-procedures/>; EBRD: <http://www.ebrd.com/integrity-and-compliance.html>). However, the CIFs website does not explain whether the CIFs require that implementing entities apply specific sanctions that should be applied in relation to CIFs projects and programmes.
  127. The Accreditation Master Agreement concluded between the GCF and its Accredited Entities generally requires that the Accredited Entity apply the GCF’s standards (including integrity and anti-corruption) in their subsidiary agreements with executing entities, and also apply appropriate remedies in cases of “breach, non performance or default by an Executing Entity.” However, the terms of each Agreement may vary as the Agreements are negotiated between the Fund and Accredited Entities.
  128. This indicator refers to fund-level requirements that implementing entities have in place policies and procedures to engage a wide range of stakeholders throughout project or programming cycles.
  129. The Adaptation Fund’s Environmental and Social Policy clearly calls for stakeholder engagement to be supported through project implementation ([https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016\\_-OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf](https://www.adaptation-fund.org/wp-content/uploads/2013/11/Amended-March-2016_-OPG-ANNEX-3-Environmental-social-policy-March-2016.pdf)).
  130. The GEF has numerous policy documents which stipulate requirements for full project-cycle stakeholder engagement by a wide range of stakeholders, including civil society, private sector and indigenous peoples. The Instrument for the Establishment of the Restructured Global Environment Facility provides for “full disclosure of non-confidential information, and consultation with, and participation as appropriate of, major groups and local communities throughout the project cycle.” See also the Policy on Public Involvement in GEF Projects ([https://www.thegef.org/sites/default/files/documents/Public\\_Involvement\\_Policy-2012.pdf](https://www.thegef.org/sites/default/files/documents/Public_Involvement_Policy-2012.pdf)); Principles and Guidelines for Engagement with Indigenous Peoples ([https://www.thegef.org/sites/default/files/publications/Indigenous\\_Peoples\\_Principle\\_EN.pdf](https://www.thegef.org/sites/default/files/publications/Indigenous_Peoples_Principle_EN.pdf)); Agency Minimum Standards on Environmental and Social Safeguards ([https://www.thegef.org/sites/default/files/documents/Policy\\_Environmental\\_and\\_Social\\_Safeguards\\_2015.pdf](https://www.thegef.org/sites/default/files/documents/Policy_Environmental_and_Social_Safeguards_2015.pdf)). GEF’s Public Involvement Policy urges effective standard stakeholder engagement amongst all GEF Agencies. Regarding country-level consultations, accredited entities are, at a minimum, required to consult with stakeholders when developing project proposals.
  131. The CIFs require multi-stakeholder consultations at the programming phase of investment plans. While full project cycle stakeholder engagement is not required, the CIFs have been working toward Measures to improve The Operations of the Climate Investment Funds ([https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/measures\\_to\\_improve\\_operations\\_of\\_cifs\\_11.18.11\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/measures_to_improve_operations_of_cifs_11.18.11_0.pdf)). The CIFs rely on the stakeholder engagement policies of their implementing entities, which may also ensure full project cycle engagement. The CIFs share and link these policies on the CIFs website, at <http://www-cif.climateinvestmentfunds.org/about/stakeholders>.
  132. The GCF does not require that implementing entities have stakeholder engagement policies or procedures in place as part of the accreditation application process (see accreditation application, at [http://www.greenclimate.fund/documents/20182/574712/Form\\_05\\_-](http://www.greenclimate.fund/documents/20182/574712/Form_05_-)



Accreditation\_Application.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231). The application does require that entities demonstrate external communications approaches that enable public access to information on key decisions. The GCF's Accreditation Master Agreement stipulates that stakeholders should be consulted at the project development stage and that accredited entities consider Stakeholder Engagement Best Practices as a part of that effort. While the Agreement does not require full project cycle engagement, the GCF's Monitoring and Accountability Framework suggests that stakeholders should be consulted throughout project cycles ([http://www.greenclimate.fund/documents/20182/76153/DECISION\\_B.11\\_10\\_-\\_Initial\\_monitoring\\_and\\_accountability\\_framework\\_for\\_accredited\\_entities.pdf/b06dddfc-2d18-4675-9d2f-d3e81de6ba99](http://www.greenclimate.fund/documents/20182/76153/DECISION_B.11_10_-_Initial_monitoring_and_accountability_framework_for_accredited_entities.pdf/b06dddfc-2d18-4675-9d2f-d3e81de6ba99)). See also *Initial best-practice options for country coordination and multi-stakeholder engagement in GCF/B.08/45*.

133. Accreditation Master Agreement Clause 19.01(g,) and Clause 20.01(b)(iii), at [http://www.greenclimate.fund/documents/20182/574712/Form\\_05\\_-\\_Accreditation\\_Master\\_Agreement.pdf/8c4f6cbf-ae17-4856-81c1-64ac8fbfa506](http://www.greenclimate.fund/documents/20182/574712/Form_05_-_Accreditation_Master_Agreement.pdf/8c4f6cbf-ae17-4856-81c1-64ac8fbfa506).
134. The World Bank's Access to Information Policy applies to all information handled and maintained by the Fund's Secretariat (see: <http://www.worldbank.org/en/access-to-information>). The Fund's Open Information Policy (<https://www.adaptation-fund.org/document/open-information-policy/>) sets transparency standards for the Fund's operations. Both policies cover most of the criteria in the left-hand column, with the following exceptions and elaborations: neither policy requires that reasons for non-disclosure be explained to the public; the Rules of Procedures of the Adaptation Fund Board ([https://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.B.2.4\\_Draft\\_Rules\\_of\\_Procedure\\_for\\_Adaptation\\_Fund\\_Board.pdf](https://www.adaptation-fund.org/wp-content/uploads/2015/01/AFB.B.2.4_Draft_Rules_of_Procedure_for_Adaptation_Fund_Board.pdf)) stipulate that Board documentation is to be published four weeks in advance of Board meetings; project proposals for public comment can be viewed at <https://www.adaptation-fund.org/projects-programmes/proposals-concepts-under-review/>; accessible on the Fund's website is a Standard Legal Agreement, which is the contract concluded between the Board and an Implementing Entity (see <https://www.adaptation-fund.org/generic/legal-agreement-between-af-board-and-implementing-entity-amended-in-october-2014/>). However, the Fund does not

disclose individual agreements with Entities. According to the Fund's Secretariat, the reason why individual contracts are not disclosed is because they contain confidential bank information for Implementing Entities. Still, the terms of the Standard Legal Agreement apply to all accredited implementing entities and no modifications can be made in the contracts.

135. The World Bank's Access to Information Policy applies to all information handled and maintained by the GEF Secretariat (see <http://www.worldbank.org/en/access-to-information>). The GEF's Public Involvement Policy (<https://www.thegef.org/documents/public-involvement>) and the GEF Practices on Disclosure of Information ([https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.Inf\\_.03\\_GEF\\_Practices\\_on\\_Disclosure\\_of\\_Information\\_4.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.Inf_.03_GEF_Practices_on_Disclosure_of_Information_4.pdf)) also address the standards, with the following exceptions and elaborations: neither the Council nor the World Bank are required to explain to the public reasons for non-disclosure. Regarding contract disclosures, the GEF concludes two types of contracts which provide for the legal obligations of GEF Agencies: memorandums of understanding and Financial Procedure Agreements. At present, all Financial Procedure Agreements are disclosed on the GEF's website, along with the memorandums of understanding with 15 Agencies and Principles of Cooperation among the Implementing Agencies (IBRD, UNDP, and UNEP) (see: <http://www.thegef.org/agency-mob-financial-procedures-agreement>). The GEF Secretariat discloses project proposals on the GEF website, on which anyone can provide comments. However, the procedure for providing inputs is not explained (see [https://www.thegef.org/projects?f\[\]=field\\_p\\_latesttimelinetatus:686](https://www.thegef.org/projects?f[]=field_p_latesttimelinetatus:686)). Meeting documentation for Council meetings must be transmitted at least four weeks in advance (<http://www.thegef.org/publications/rules-procedure-gef-council>). GEF Council meetings are now being archived on the GEF YouTube channel, which is now easily accessible through the GEF's website in the sections dealing with the Council (overview) and civil society engagement.
136. The World Bank's Access to Information Policy applies to all information handled and maintained by the Funds' Administrative Unit and covers most of the standards listed in the left-hand column ([https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/scf\\_rules\\_of\\_procedure\\_revised\\_nov13\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/scf_rules_of_procedure_revised_nov13_0.pdf)). See <http://www.worldbank.org/en/access-to-information>.

- Committee meeting documentation should be disclosed at least 10 days in advance of meetings ([https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/scf\\_rules\\_of\\_procedure\\_revised\\_nov13\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/scf_rules_of_procedure_revised_nov13_0.pdf)). In addition, the CIFs apply the Approval of Policy for Disclosure of Documents prepared for the purposes of the CIFs, at [https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/approval\\_of\\_policy\\_for\\_disclosure\\_of\\_documents\\_prepared\\_for\\_the\\_cif.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/approval_of_policy_for_disclosure_of_documents_prepared_for_the_cif.pdf), supplemented by the Note on Disclosure of Documents Prepared for Purposes of the Climate Investment Funds, at <http://www-cif.climateinvestmentfunds.org/sites/default/files/Note%20on%20disclosure%20of%20Documents%20-%20may%202009.pdf>. These policies also do not require that reasons for non-disclosure be given to the public. However, Funds confirm that the reasons for non-disclosure will be provided on request. The Funds disclose the Financial Procedures Agreements with their implementing entities on their website (<https://www.climateinvestmentfunds.org/about/transparency-accountability>). At the time of writing, they were in the process of seeking written consent from Loan Contributor Countries to disclose copies of the Loan Agreements on the CIFs' website. In the interim, members of the public can access the Loan Agreements by making information requests. The meetings of the CIFs are not webcast and have not been webcast to date. As such, no archives are available.
137. Comprehensive Information Disclosure Policy, at <http://www.greenclimate.fund/disclosure/information-disclosure-policy>. The policy does not impose obligations that non-disclosure decisions be explained to the public. Project proposals that are subject to a Board decision are posted on the fund's website as Board documents, in advance of Board meetings. Board meeting documentation should be disclosed at least two weeks in advance of Board meetings (see *supra* n. 118). However, in practice, disclosure is unpredictable and at times last-minute. Accreditation Master Agreements which are concluded between the GCF and accredited entities are published on the GCF's website, see *Stage III – Signed Accreditation Master Agreements (AMAs)* on the GCF's "Get accredited" webpage, at <http://www.greenclimate.fund/partners/accredited-entities/get-accredited>. However, the Funded Activity Agreements are not published.
138. The funds may require that project proposals are disclosed and stakeholders consulted in the country or region where the projects are to be implemented. This indicator refers to the public disclosure of project proposals for public comment on the funds' websites.
139. This refers to the policy requirement that such explanations be made. The governing bodies of the funds may provide explanations as to why their Board or Board committee meetings are closed to observers. However, such a practice remains inconsistent. The CIFs have clarified that the reasons for non-disclosure may be provided on request.
140. The Trustee undertakes single audits for the Fund, which are linked through the Fund's website (see <https://www.adaptation-fund.org/about/financial-status/>). It also produces Trustee Reports, Financial Statements and Summary Status Reports (see: <http://fiftrustee.worldbank.org/Pages/adapt.aspx>), which are can also be accessed through the Fund's website. An Annual Performance Report (for 2016, see: [https://www.adaptation-fund.org/wp-content/uploads/2016/09/AFB.EFC\\_.19.3-Annual-Performance-Report-for-FY16\\_final.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/09/AFB.EFC_.19.3-Annual-Performance-Report-for-FY16_final.pdf)) reports on the efficiency of the Fund and effectiveness, to track whether its portfolio is being implemented as intended, standards are being met, and resources are being used efficiently.
141. The GEF has updated its website to disclose its financial statements and independent audit reports from 2009 to 2016 (see: <http://fiftrustee.worldbank.org/Pages/reportListing.aspx?fundName=GEF&folderName=Financial%20Statements>). In addition, at each funds' governing body meeting, the Trustee presents a financial report (for example, GEF: [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.52.Inf\\_.13\\_GEF\\_TF\\_Financial\\_Report.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.52.Inf_.13_GEF_TF_Financial_Report.pdf)).
142. The CIFs provide clear links to financial reports prepared by the Trustee, as well as to disbursement reports, on its website (see <https://www.climateinvestmentfunds.org/about/finances>). The Funds also ensure annual independent audits of the Clean Technology and Special Climate Trust Funds (see, respectively: <http://fiftrustee.worldbank.org/Pages/reportListing.aspx?fundName=CTF&folderName=Financial%20Statements> and <http://fiftrustee.worldbank.org/Pages/reportListing.aspx?fundName=SCF&folderName=Financial%20Statements>).
143. The GCF publishes its audited reports (see, for example, for 2016: <http://www>).



- greenclimate.fund/documents/20182/751020/GCF\_B.17\_07\_-\_Audited\_financial\_statements\_of\_the\_Green\_Climate\_Fund\_for\_the\_year\_ended\_31\_December\_2016.pdf/44840781-4fd3-4f9c-b3bd-0b8acb17ae36); trust fund reports (see, for example, for 2016: [http://www.greenclimate.fund/documents/20182/24964/GCF\\_BM-2015\\_Inf.09\\_-\\_Green\\_Climate\\_Fund\\_Trust\\_Fund\\_Financial\\_Report\\_as\\_of\\_31\\_March\\_2015.pdf/fb99b2a8-f229-4dd5-9166-5751e0976c4c](http://www.greenclimate.fund/documents/20182/24964/GCF_BM-2015_Inf.09_-_Green_Climate_Fund_Trust_Fund_Financial_Report_as_of_31_March_2015.pdf/fb99b2a8-f229-4dd5-9166-5751e0976c4c)); and reports to the Board on the use of its administrative budget and unaudited finances (see, for example, for 2016 [http://www.greenclimate.fund/documents/20182/584114/GCF\\_B.16\\_19\\_-\\_Report\\_on\\_the\\_execution\\_of\\_the\\_2016\\_administrative\\_budget\\_of\\_the\\_GCF\\_and\\_the\\_2016\\_unaudited\\_financial\\_statements.pdf/f2f757b9-8ad2-4d56-8d43-30f3885706e5](http://www.greenclimate.fund/documents/20182/584114/GCF_B.16_19_-_Report_on_the_execution_of_the_2016_administrative_budget_of_the_GCF_and_the_2016_unaudited_financial_statements.pdf/f2f757b9-8ad2-4d56-8d43-30f3885706e5)).
144. The Zero Tolerance Policy of the Board and the Board's Code of Conduct are both clearly published on the Fund's website in connection with the governance of the Fund's Board: <https://www.adaptation-fund.org/about/governance/board/>.
145. The GEF Policy on Ethics and Conflict of Interest for Council Members, Alternates, and Advisers (<http://www.thegef.org/council-meeting-documents/proposed-policy-ethics-and-conflict-interest-council-members-alternates>) is available centrally on its "Policies and Guidelines" webpage (see: <https://www.thegef.org/documents/policies-guidelines>).
146. The CIF's code of conduct (<http://www-climateinvestmentfunds.org/documents/code-conduct-proposed-decision-approval-notification-document>) is available under its key policies on its website.
147. The GCF's Ethics and Conflict of Interest Policies are available on the GCF's Independent Integrity Unit's webpage (<http://www.greenclimate.fund/independent-integrity-unit>).
148. The secretariats of the Adaptation Fund, the GEF and the CIFs are subject to the World Bank's staff code of conduct (as each are operated by the World Bank). For the Adaptation Fund, this fact is made explicit in its Risk Management Framework ([https://www.adaptation-fund.org/wp-content/uploads/2015/06/AF-risk-management-framework\\_Board-revised.pdf](https://www.adaptation-fund.org/wp-content/uploads/2015/06/AF-risk-management-framework_Board-revised.pdf)), which is highly embedded and should, instead, be clearly visible and sourced on the Fund's website. No reference or explanation that the World's Bank's policies apply to GEF and the CIF staff could be found on either fund's website. As explained above, the GCF's respective policy is being developed, building on an interim policy in the Administrative Guidelines on Human Resources (GCF/B.08/26), which is not disclosed. However, the GCF staff code of conduct and anti-harassment policies are clearly available on the Integrity Unit's webpage.
149. No policy exists. See *supra*, n. 68.
150. The Facility does not have its own policy. The GEF CSO Network has a policy in place but it is not referenced on the GEF website. See *supra*, n. 69.
151. The CIF Code of Conduct which applies to CIF Observers is easily accessible on the CIFs' website. See *supra*, n. 70
152. A specific policy does not exist but is being developed (see *supra*, n. 71). However, the Fund's Rules of Procedure, which stipulate conflict of interest disclosure requirements for active Observers, is easily accessible on the Fund's website.
153. All funds require that governing body members disclose potential or real conflicts of interest at meetings in relation to specific agenda items. Such disclosures are made publicly at meetings and are usually recorded in meeting reports. This level of disclosure is recognised. However, this assessment standard refers to the policy requirement that covered individuals regularly report their financial and non-financial interests. In reviewing the funds, it was found that no such regular reports were disclosed. In contrast, see Transparency International's Register of Interests for Board Members, at [https://www.transparency.org/files/content/ourorganisation/JU\\_Board\\_ROI\\_20160120\\_kd.pdf](https://www.transparency.org/files/content/ourorganisation/JU_Board_ROI_20160120_kd.pdf).
154. See n. 73, *supra*. At the time of writing, gift registries could not be found on the websites of any of the funds. However, as explained at n. 73, the GEF is developing its ethics and conflicts of interest policy, including its gift registry procedures. Through that process, the GEF may also opt to publicly disclose its gift registry. As such, it is marked as "developing" for now.
155. The Adaption Fund, the GCF, the GEF and the CIFs clearly provide specific webpages providing both policy and audit/financial report information. However, the GCF's policies on financial management remain embedded as Board documents. See *supra*, nn. 76–79.
156. For the Adaptation Fund, the GEF and the CIFs,

- the World Bank's policies apply and can be easily found on the World Bank's website, but not on the funds' websites. Without knowing this, it would be difficult for external parties to locate the policies. By contrast, the GCF publishes its policy on its procurement webpage, at <http://www.greenclimate.fund/about-gcf/procurement>.
157. As explained in n. 81, *supra*, the secretariats of the Adaptation Fund, GEF and CIFs apply the World Bank's anti-money laundering and due diligence policies. However, the funds' websites do not make this fact explicit, nor do they link to the World Bank's policy, which applies. The GCF's policy is still under development.
  158. The Adaptation Fund's Open Information Policy is readily available at its policies and guidelines webpage, see: <https://www.adaptation-fund.org/document/open-information-policy-adopted-in-july-2013/>. That policy states (para. 10) that the Secretariat is governed by the World Bank's Access to Information Policy. However, this fact is not clearly communicated on the Fund's website.
  159. The GEF's governing instrument sets out principles regarding transparency and information disclosure. This document is easily available at the GEF's policies and guidelines webpage ([https://www.thegef.org/sites/default/files/documents/GEF\\_Instrument-Interior-March23.2015.pdf](https://www.thegef.org/sites/default/files/documents/GEF_Instrument-Interior-March23.2015.pdf)). The more elaborate policy document, called GEF Practices on Disclosure of Information, remains embedded as a Council document ([https://www.thegef.org/sites/default/files/council-meeting-documents/C.41\\_Inf\\_03\\_GEF\\_Practices\\_on\\_Disclosure\\_of\\_Information\\_4.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.41_Inf_03_GEF_Practices_on_Disclosure_of_Information_4.pdf)). Furthermore, the fact that the World Bank's Access to Information Policy applies to the GEF Secretariat is also not clearly stated on the GEF's website.
  160. The CIFs provide a bespoke webpage on transparency and accountability, where the CIF's policies are clearly articulated and explained, including the fact that the World Bank's Access to Information Policy applies to the CIF Administration Unit. See: <https://www.climateinvestmentfunds.org/about/transparency-accountability>.
  161. The GCF's information disclosure policy is clearly explained and linked on the GCF's main bottom menu, under "Reach us". See: <http://www.greenclimate.fund/disclosure/information-disclosure-policy>.
  162. The Adaptation Fund has a bespoke webpage for its complaints- handling mechanism, which explains its function and provides contact details for submitting a complaint. See: <https://www.adaptation-fund.org/projects-programmes/accountability-complaints/ad-hoc-complaint-handling-mechanism-achm/>.
  163. The complaints-handling function of the GEF is clearly accessible at <https://www.thegef.org/content/conflict-resolution-commissioner>.
  164. The CIFs also provide clear information on the Transparency and Accountability webpage. See: <http://www-cif.climateinvestmentfunds.org/about/transparency-accountability>.
  165. On its main website page the GCF provides a link to report fraud – where contact information is provided for potential complainants (<http://www.greenclimate.fund/independent-integrity-unit#contact>). However, the policy and procedures concerning complaints and disclosures are being developed with a view to adoption by the Board.
  166. The secretariats of the Adaptation Fund, the GEF and the CIFs are provided by the World Bank and therefore fall under the Bank's policies. Complaints against or by the Secretariat staff can be made through the World Bank's complaints-handling mechanism or anti-corruption hotline. However, so far, only the GEF explains this on its website (See <https://www.thegef.org/content/conflict-resolution-commissioner>). The GCF's anti-corruption hotline is running on an interim basis, until a policy is developed.
  167. All funds have clear sanctions and penalties that are explained in their legal agreements with implementing entities and/or in their risk management and operational policies. To access and understand these policies, one must know where and under what provisions they are addressed – which is not easy for external stakeholders to access. See *supra*, nn. 110–113, for policy references.
  168. The GEF, the CIFs and the GCF have webpages dedicated to stakeholder engagement which explain how stakeholders can engage with the funds. The Adaptation Fund, which has not yet established a fund-level stakeholder engagement policy, is missing this visibility and information. For policy references, see *supra*, nn. 115–118.
  169. This refers to the fund-level policy requirement that implementing entities have access to information policies in place as a matter of accreditation or criterion for fund disbursements. All funds require that their implementing entities be transparent in

implementing their fiduciary requirements. However, only the CIFs ensure that their implementing entities have information disclosure policies. In practice, many implementing entities have access to information policies in place, but there is considerable lack of consistency. For example, a Review of GEF Agencies' Policies, Procedures, and Guidelines on Stakeholder Engagement (at [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.51.Inf\\_.05\\_Review\\_of\\_Agencies\\_on\\_Stakeholder\\_Engagement.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.51.Inf_.05_Review_of_Agencies_on_Stakeholder_Engagement.pdf)) showed that half of the GEF Agencies have an information disclosure policy. See also GEF Practices on Information Disclosure ([https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.Inf\\_.03\\_GEF\\_Practices\\_on\\_Disclosure\\_of\\_Information\\_4.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.Inf_.03_GEF_Practices_on_Disclosure_of_Information_4.pdf)).

170. This indicator assesses whether the listed transparency, accountability and integrity policies of the implementing entities are easily accessible on the funds' websites, either posted or through web links. It does not assess whether the entities have the policies or that the entities disclose the policies on their own websites. Further study would be needed to assess and document such disclosures. With some exceptions listed here, the policies of the implementing entities could not be easily accessed. The Adaptation Fund publishes information regarding complaint-handling mechanisms at <https://www.adaptation-fund.org/projects-programmes/accountability-complaints/complaint-handling-mechanisms-implementing-entities/>. The GEF assesses and refers to specific policies in its compliance review of fiduciary standards. These documents are embedded as Council documents and are not easily accessible (see [https://www.thegef.org/gef/agencies\\_accreditation](https://www.thegef.org/gef/agencies_accreditation); Annual Monitoring Reviews <https://www.thegef.org/annual-monitoring-review>; Status of the GEF Agencies with respect to Minimum Fiduciary Standards [https://www.thegef.org/sites/default/files/council-meeting-documents/C.35.5\\_Fiduciary\\_Standards\\_4.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.35.5_Fiduciary_Standards_4.pdf)). The GEF publishes the direct links to the accountability/complaints-handling function of 11 GEF Agencies at <https://www.thegef.org/sites/default/files/documents/Agency%20Mechanisms%20for%20Conflict%20Resolution%20and%20Accountability.pdf>. Also, the GEF's Disclosure of Information Policy refers to the access to information policies of certain GEF agencies. The CIFs provide direct links to the integrity and accountability mechanisms (some also reference covering sanctions), access to information and stakeholder engagement policies of the multilateral development banks (see <http://www.cif.climateinvestmentfunds.org/about/transparency-accountability>; <http://www.cif.climateinvestmentfunds.org/about/stakeholders>).

The GCF publishes an accredited entity directory but does not provide links to the fiduciary policies of each entity. In sum, the funds generally do not explain or link directly to implementing entities' policies and rather take the position that such policies should be accessible on the entities' websites. That approach has led to numerous inconsistencies as a spot check of several entities demonstrated that the policies were often not published or were heavily embedded in the entities' website documentation. The Adaptation Fund now requires as part of its accreditation and re-accreditation processes that implementing entities publish their fiduciary policies on their website. While this may trigger better transparency, best practice would call for the policies to be directly linkable through the funds' websites.

171. This indicator measures whether the funds undertake to demonstrate the effectiveness of their information and transparency policies. This includes regular monitoring, reporting and evaluation practices, encompassing (1) policy implementation, (2) information disclosure practices with regard to accuracy, completeness, reliability, coherence and timeliness, (3) non-disclosure practices (such as reviewing justifications for non-disclosure in light of public interests and rights to know), and (4) information requests and appeals (number, type and resolutions). Regarding all funds, no information could be found which assessed the funds' non-disclosure practices and demonstrated that information requests or appeals were being monitored or reported. However, positive disclosure practices have been reviewed. An Adaptation Fund performance review evaluated the Fund's performance on information disclosure and transparency (see [https://www.adaptation-fund.org/wp-content/uploads/2016/08/ODI\\_The-effectiveness-of-climate-finance\\_a-review-of-the-AF\\_March-2013.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/08/ODI_The-effectiveness-of-climate-finance_a-review-of-the-AF_March-2013.pdf)). The GEF Independent Evaluation Office has conducted numerous evaluations of the GEF. In its Fifth Overall Performance Study of the GEF (2014) (<http://www.gefio.org/sites/default/files/ieo/evaluations/ops5-final-report-eng.pdf>), the transparency policies and practices of the GEF Secretariat and Partner Agencies were reviewed. This performance study is conducted regularly, with the next one due to be published in October 2017. For the CIFs, see the *Independent Evaluation of the Climate Investment Funds* ([https://www.afdb.org/fileadmin/uploads/opev/Documents/Independent\\_Evaluation\\_of\\_the\\_](https://www.afdb.org/fileadmin/uploads/opev/Documents/Independent_Evaluation_of_the_)

- Climate\_Investment\_Funds.pdf). While measuring the effectiveness of the GCF's Comprehensive Information Disclosure Policy ([https://www.greenclimate.fund/documents/20182/184476/GCF\\_B.12\\_24\\_-\\_Comprehensive\\_Information\\_Disclosure\\_Policy\\_of\\_the\\_Fund.pdf/f551e954-baa9-4e0d-bec7-352194b49bcb](https://www.greenclimate.fund/documents/20182/184476/GCF_B.12_24_-_Comprehensive_Information_Disclosure_Policy_of_the_Fund.pdf/f551e954-baa9-4e0d-bec7-352194b49bcb)) is premature, the policy itself requires that its implementation be reviewed every three years.
172. This indicator assesses whether the funds undertake to demonstrate the effectiveness of their fund-level ethics and conflict of interest policies, such as those applicable to governing bodies, their meetings and the funds' secretariats. Demonstrating effectiveness means actions to assess and publicly report on the funds' track records in assuring declarations of interests and in addressing conflicts of interest (number and type of cases recorded, reviewed and resolved). The Adaptation Fund and the Green Climate Fund record reported conflicts of interest disclosed at governing body meetings in relevant meeting reports. However, no assessments could be found regarding how effective the policies have been, particularly regarding applicability to advisers, technical experts, observers and secretariat staff. For example, were interests and conflicts of interest reported? Were gifts reported and registered? If so, how many reports were made and how many cases (if any) required investigation or remedy? The same information could not be found in the similar reports issued by the CIFs and the GEF. As the CIFs' code of conduct is relatively new and the GEF's policy is being developed, such reporting is expected in the future. Also, the topic of conflicts of interest has been a subject of CIFs evaluation. See the *Independent Evaluation of the Climate Investment Funds*, at [https://www.afdb.org/fileadmin/uploads/opev/Documents/Independent\\_Evaluation\\_of\\_the\\_Climate\\_Investment\\_Funds.pdf](https://www.afdb.org/fileadmin/uploads/opev/Documents/Independent_Evaluation_of_the_Climate_Investment_Funds.pdf).
173. This indicator measures whether funds undertake to demonstrate the effectiveness of financial management, reporting and audit by the regular and timely public disclosure of fund-level, independent financial audit reports.
174. The Trustee undertakes single audits for the fund, which are linked through the Fund's website (see: <https://www.adaptation-fund.org/about/financial-status/>). It also produces Trustee Reports, Financial Statements and Summary Status Reports (see: <http://fiftrustee.worldbank.org/Pages/adapt.aspx>), which can also be accessed through the Fund's website. An Annual Performance Report (for 2016, see: [https://www.adaptation-fund.org/wp-content/uploads/2016/09/AFB.EFC\\_.19.3-Annual-Performance-Report-for-FY16\\_final.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/09/AFB.EFC_.19.3-Annual-Performance-Report-for-FY16_final.pdf)) reports on the efficiency of the Fund and effectiveness, to track whether its portfolio is being implemented as intended, standards are being met, and resources are being used efficiently.
175. At each governing body meeting of the funds, the Trustee presents a financial report (for example, GEF: [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.52.Inf\\_.13\\_GEF\\_TF\\_Financial\\_Report.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.52.Inf_.13_GEF_TF_Financial_Report.pdf)). However, the audited reports and financial statements of the GEF are only available on their website up until 2012 (<https://www.thegef.org/about/annual-reports>).
176. The CIFs provide clearly links to financial reports prepared by the Trustee, as well as to disbursement reports, on its website (see <https://www.climateinvestmentfunds.org/about/finances>). The Funds also ensure annual independent audits of the Clean Technology and Special Climate Trust Funds (see, respectively, <http://fiftrustee.worldbank.org/Pages/reportListing.aspx?fundName=CTF&folderName=Financial%20Statements> and <http://fiftrustee.worldbank.org/Pages/reportListing.aspx?fundName=SCF&folderName=Financial%20Statements>).
177. The GCF publishes its audited reports (see, for example, for 2016: [http://www.greenclimate.fund/documents/20182/751020/GCF\\_B.17\\_07\\_-\\_Audited\\_financial\\_statements\\_of\\_the\\_Green\\_Climate\\_Fund\\_for\\_the\\_year\\_ended\\_31\\_December\\_2016.pdf/44840781-4fd3-4f9c-b3bd-0b8acb17ae36](http://www.greenclimate.fund/documents/20182/751020/GCF_B.17_07_-_Audited_financial_statements_of_the_Green_Climate_Fund_for_the_year_ended_31_December_2016.pdf/44840781-4fd3-4f9c-b3bd-0b8acb17ae36)), trust fund reports (see, for example, for 2016: [http://www.greenclimate.fund/documents/20182/24964/GCF\\_BM-2015\\_Inf.09\\_-\\_Green\\_Climate\\_Fund\\_Trust\\_Fund\\_Financial\\_Report\\_as\\_of\\_31\\_March\\_2015.pdf/fb99b2a8-f229-4dd5-9166-5751e0976c4c](http://www.greenclimate.fund/documents/20182/24964/GCF_BM-2015_Inf.09_-_Green_Climate_Fund_Trust_Fund_Financial_Report_as_of_31_March_2015.pdf/fb99b2a8-f229-4dd5-9166-5751e0976c4c)), reports to the Board on the use of its administrative budget and unaudited finances (see, for example, for 2016: [http://www.greenclimate.fund/documents/20182/584114/GCF\\_B.16\\_19\\_-\\_Report\\_on\\_the\\_execution\\_of\\_the\\_2016\\_administrative\\_budget\\_of\\_the\\_GCF\\_and\\_the\\_2016\\_unaudited\\_financial\\_statements.pdf/f2f757b9-8ad2-4d56-8d43-30f3885706e5](http://www.greenclimate.fund/documents/20182/584114/GCF_B.16_19_-_Report_on_the_execution_of_the_2016_administrative_budget_of_the_GCF_and_the_2016_unaudited_financial_statements.pdf/f2f757b9-8ad2-4d56-8d43-30f3885706e5)).
178. This refers to the institutional procurement of the funds. This indicator looks at whether the funds undertake to assess the effectiveness of their procurement processes with regard to fairness, transparency, efficiency, professionalism, integrity



and best value for money choices in procurement decisions. While the secretariats of the Adaptation Fund and the GCF generally report on activities and expenditures, including the recruitment of staff and consultants, evidence of effectiveness is not well documented or demonstrated. The reports do not systematically capture information which assures that procurement processes are transparent and fair, including best value for money choices. The Adaptation Fund Secretariat reports have mentioned recruitment processes (see AFB/B.26/3 and AFB/B.28/3); the GCF Secretariat's reports refers to some services or goods procured, as well as to personnel recruitment (see, for example: GCFB.17 Inf.01 and GCF B.17Inf.03). Similar reports or information could not be found on the GEF and CIFs websites.

179. This indicator measures actions undertaken by the funds to demonstrate the effectiveness of their anti-money laundering policies, such as reporting on the quantity and quality of due diligence/know your customer actions. Fund documentation does not explicitly discuss what due diligence actions were taken by the funds. For the Adaptation Fund, the GEF and the CIFs, no documentation could be found that evidenced that these funds have undertaken to measure effectiveness under this category. The GCF's policy, which is still being developed, may provide that the policy's effectiveness must be demonstrated.
180. This indicator measures the funds' actions to assess the effectiveness of their complaints-handling functions, such as the number and type of complaints received and resolved – with due regard to protecting confidentiality.
181. The Adaptation Fund reports the external cases it has received and resolved at its Board meetings, but such information is embedded in meeting reports and not easily accessible. Information on internal case numbers and types could not be found. The Fund plans to compile case reports in an "accountability register". See Ad hoc Complaints Handling Mechanism, <https://www.adaptation-fund.org/document/proposed-ad-hoc-complaint-handling-mechanism-achm/>.
182. According to the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards: "The GEF Corporate-results Framework for GEF 5 requires the GEF to track conflicts and complaints, brought to the GEF CEO, with an objective of timely resolution of such complaints. The draft policy would require all GEF Partner Agencies to report annually, as part of their submissions for the Annual Monitoring Review (AMR), on cases that have been reported to their respective accountability and grievance systems and how they have been addressed. The Secretariat will report to the Council on these issues through the AMR." Accordingly, in the GEF's Annual Monitoring Review 2014, statistics on successfully resolved conflicts and complaints are provided. According to the GEF assessment, no cases were reported to the GEF Conflict Resolution Commissioner in financial year (FY) 13 and FY14. In contrast, in FY11 and FY12, although the review does not specify the number of communications received, it states that, respectively, 85% and 82% of conflict cases reported to the CEO were resolved. Also, in FY11 the percentage of successfully resolved complaints amounted to 80%, increasing to 90% in FY12. In the GEF's 2015 Annual Monitoring Review, however, all the criteria in and under "management efficiency and effectiveness" were omitted. While this appeared to be a setback, a webpage section titled "Complaints and Concerns brought to the GEF Conflict Resolution Commissioner" was added to the GEF's website in 2017, under the Conflict Resolution Commissioner site. This provides a description of the cases reviewed and resolved by the Commissioner and stands as the best practice exhibited to date.
183. No documentation could be found on the CIFs webpage which demonstrated that the effectiveness of its complaints-handling function is being monitored, reported or evaluated.
184. The GCF's policy is being developed in 2017 and may provide for a regular monitoring, reporting and evaluation function.
185. This indicator measures the funds' actions to assess the effectiveness of sanctions policies and measures, such as the number and type of sanctions or penalties determined and enforced by the funds, as well as any appeals procedures followed, and the overall impact achieved. While all the funds have policies to impose sanctions in cases of corruption or fraud, no information could be found that any of them have assessed how effective those policies have been either in imposing sanctions or resolving cases without penalties. The GCF is still developing its policies and practices in this area.
186. This indicator measures the funds' actions to assess the effectiveness of its policies and practices encompassing the fund's direct engagement with stakeholders, such as the

- participation of observers at the fund's governing bodies' meetings and any other meetings or actions which seek the involvement of stakeholders. Assessing effectiveness in this category would mean reviewing the scope and openness of stakeholder engagement (civil society, private sector, indigenous people and other groups or representation, as well as the methods, quality, frequency and impacts/benefits of such engagements).
187. The Adaptation Fund's independent evaluation has assessed the effectiveness of stakeholder engagement at the fund level (see: [https://www.adaptation-fund.org/wp-content/uploads/2015/11/TANGO-ODI-Evaluation-of-the-AF\\_final-report.pdf](https://www.adaptation-fund.org/wp-content/uploads/2015/11/TANGO-ODI-Evaluation-of-the-AF_final-report.pdf)). Also, the Fund regularly formally documents dialogues, consultations and other inputs from civil society and other stakeholders at governing body meetings. For example, meeting documentation for the 29th Board meeting includes the Meeting Report (<https://www.adaptation-fund.org/wp-content/uploads/2017/06/AFB-B-29-report-final-approved.pdf>), which discusses the inputs from observers at the meeting, the agenda of the Civil Society Dialogue ([https://www.adaptation-fund.org/wp-content/uploads/2017/03/AFB.B.29.Inf\\_.5-Agenda-of-the-civil-society-dialogue.pdf](https://www.adaptation-fund.org/wp-content/uploads/2017/03/AFB.B.29.Inf_.5-Agenda-of-the-civil-society-dialogue.pdf)) and a List of Observers (<https://www.adaptation-fund.org/wp-content/uploads/2017/03/AFB.B.29-List-of-Observers-AS-OF-MARCH-9.pdf>).
188. The GEF has undertaken numerous evaluations of documents dialogues, consultations and other inputs from civil society and other stakeholders at governing body meetings. For the GEF, numerous evaluations and reports exist: Participation of Civil Society Organizations (CSO) in GEF Activities (<http://www.gefio.org/evaluations/participation-civil-society-organizations-cso-gef-activities>); OPS4 - S04 - Civil Society Organization participating in Sub Regional Meetings (<http://www.gefio.org/documents/ops4-s04-civil-society-organization-participating-sub-regional-meetings>); GEF Civil Society Organization (CSO) Network Evaluation (<http://www.gefio.org/evaluations/gef-civil-society-organization-cso-network-evaluation>); Civil Society Organizations Engagement (<http://www.gefio.org/sites/default/files/ieo/ieo-documents/ops5-td14-cso-engagement.pdf>; <http://www.gefio.org/sites/default/files/ieo/ieo-documents/ops5-ss-civil-society-engagement.pdf>).
189. The CIFs' independent evaluation has assessed the effectiveness of Observer participation ([https://www.climate-eval.org/sites/default/files/blogs/cif\\_evaluation\\_final.pdf](https://www.climate-eval.org/sites/default/files/blogs/cif_evaluation_final.pdf)).
190. In 2013, the GCF Board adopted guidelines on observer participation and determined to undertake a comprehensive review of the participation and accreditation of observer organisations and participation of active observers following a two-year implementation period (B.01-13/03, Annex XII). In 2016, the Board decided to set the terms of reference for that review, taking into consideration the views of stakeholders through a consultation process (Decision 12/14 in GCF/B.12/32). Following that process, the Board decided on the actual terms of reference "to review observer participation and requested the Secretariat to conduct consultations...with accredited observers with a view to identifying existing gaps and needed improvements, and to presenting a report with recommendations on the outcomes of the review for consideration by the Board no later than its fifteenth meeting" (see Decision of the Board on the Terms of reference for the review of observer participation, at [http://www.greenclimate.fund/documents/20182/183823/B.BM-2016\\_11\\_-\\_Terms\\_of\\_reference\\_for\\_the\\_review\\_of\\_observer\\_participation.pdf/1d15f528-01d0-4437-8e15-6831f19bd595](http://www.greenclimate.fund/documents/20182/183823/B.BM-2016_11_-_Terms_of_reference_for_the_review_of_observer_participation.pdf/1d15f528-01d0-4437-8e15-6831f19bd595)). However, no subsequent documentation or decision on this subject could be found on the GCF's website.
191. This question assesses policy effectiveness: in other words, how well a particular policy (or process) is implemented in practice. The question goes beyond asking whether a policy exists and ask for evidence or a track record that it is being implemented and is achieving its policy objective. Such evidence or track record varies according to each indicator below. To make this practicable, some suggested sub-indicators are provided. Each indicator below is assessed and it is made clear whether that assessment is demonstrated publicly. Except for the GCF, which is in early development stages, all funds have undergone independent evaluations. In some instances, those evaluations have assessed the effectiveness of transparency and accountability policies as reflected below. In addition, Transparency International's review found that all of the funds do monitor implementing entities' compliance with the funds' fiduciary safeguards. This normally happens during accreditation or re-accreditation processes. Compliance reviews may go beyond assessing whether policies exist and may assess if they are effective. However, this information is not disclosed to the public. More needs to be done to demonstrate that implementing entities not only



have anti-corruption and integrity policies in place but that they are also being used and are effective.

192. Generally, the Adaptation Fund reviews the effectiveness of implementing entities' fiduciary standards at points of accreditation and reaccreditation – two processes which the Secretariat affirms are rigorous and evidence-based. However, the public iteration of these processes does not convey effectiveness. Accreditation Panel reports often simply state: "The applicant has indicated that there has been no changes, since accreditation, in its institutional capabilities and as such, continues to meet the requirements of the Fund's Fiduciary Standards." (Re-accreditation process, at <https://www.adaptation-fund.org/document/re-accreditation-process/>). In some cases, the reports refer to specific policies but lack information regarding how the policies are being implemented. In this vein, the Fund has not publicly demonstrated the effectiveness of its implementing entities' fiduciary policies save for two exceptions: The first exception is that *transparency and stakeholder engagement* in operations and project implementation have generally been assessed in independent evaluations of the Adaptation Fund, available on the Fund's website (see: <https://www.adaptation-fund.org/document/independent-evaluation-of-the-adaptation-fund-first-phase-evaluation-report/>; [https://www.adaptation-fund.org/wp-content/uploads/2016/08/Germanwatch\\_Learning-from-Direct-Access-Modalities-in-Africa\\_Nov-2014.pdf](https://www.adaptation-fund.org/wp-content/uploads/2016/08/Germanwatch_Learning-from-Direct-Access-Modalities-in-Africa_Nov-2014.pdf)). In addition, stakeholder engagement is monitored regularly throughout project implementation. However, the same is not true regarding the monitoring of transparency or information disclosure practices, which are not performance indicators but may be addressed in cases where information sharing or raising awareness was a specific project objective (see e.g. [https://www.adaptation-fund.org/wp-content/uploads/2011/06/Nicaragua\\_MTR-Final-Report.pdf](https://www.adaptation-fund.org/wp-content/uploads/2011/06/Nicaragua_MTR-Final-Report.pdf)). The second exception is that the Fund reviews the financial management, reporting and audits of implementing entities at the re-accreditation stage. The results of that review are made public in a summary re-accreditation assessment final report, as an annex to the Accreditation Panel Report to the Adaptation Fund Board. The Fund further requires, as part of its Project Performance Reports, that *financial management and procurement* are monitored throughout the project cycle (see: <https://www.adaptation-fund.org/projects-programmes/project-performance/>). These reports are all available online in relation to each respective

project. Legal arrangements between the Fund and its Implementing Entities also oblige the latter to undertake and submit project financial audits at the end of each project. However, neither the annual audited accounts of implementing entities nor their end-of-project audits are disclosed on the Fund's website. While some project documentation discusses the general findings of financial audits (if they were undertaken), the information provided often does not demonstrate fully the effectiveness of financial management and accountability undertaken throughout the project cycle by the implementing entities.

193. The GEF monitors the compliance of its Agencies, including those known as "Partner Agencies" (in other words, those which joined as partners but were not selected through an accreditation process), and those called "Project Agencies", which have been accredited through a formal procedure (<http://www.thegef.org/documents/accreditation-gef-project-agencies>; Procedure: Accreditation of GEF Project Agencies, at [http://www.thegef.org/sites/default/files/documents/PR.IN\\_.04.Accreditation\\_Procedure\\_for\\_GEF\\_Project\\_Agencies.05212012\\_0.pdf](http://www.thegef.org/sites/default/files/documents/PR.IN_.04.Accreditation_Procedure_for_GEF_Project_Agencies.05212012_0.pdf)). Both Partner and Project Agencies have been assessed with regard to their compliance with the GEF's fiduciary standards and environmental and social safeguards, which comprise the standards evaluated in this section (see, for example, Progress Report on the Pilot Accreditation of GEF Project Agencies, at [http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.48.10.Rev\\_.01\\_Progress\\_Report\\_on\\_the\\_Pilot\\_Accreditation\\_of\\_GEF\\_Project\\_Agencies\\_4.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.48.10.Rev_.01_Progress_Report_on_the_Pilot_Accreditation_of_GEF_Project_Agencies_4.pdf); GEF Agency Compliance with Policies on Environmental and Social Safeguards, Gender, and Fiduciary Standards: [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.48.06\\_Agency\\_Compliance\\_with\\_Safeguards\\_May%207.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.48.06_Agency_Compliance_with_Safeguards_May%207.pdf)). As is underscored in the GEF's fiduciary standards, GEF Agencies are expected to demonstrate not only that they have policies and practices in place, but also that they are effective. However, notwithstanding the documentation on these matters, measures of effectiveness could not be found. GEF project documentation also does not include financial audit reports of the GEF Partner Agencies, respective to their GEF project-financed activities or tracking forms, to monitor the effectiveness of financial management. End-of-project or terminal evaluations of projects are available for some projects. A review of 30 full-size completed climate change project documentation (between project IDs

4709 and 2624) showed that terminal evaluations were only available for 10 projects. Some but not all terminal evaluations provide a summary and assessment of the financial management of projects and reference audit reports. However, as summaries, they fail to provide evidence as to how or why (not) financial management was effective. See the GEF project data base: <https://www.thegef.org/projects>. Moreover, the GEF Council adopted a policy in 2016 entitled Monitoring Agency Compliance with GEF Policies on Environmental and Social Safeguards, Gender, and Fiduciary Standards: Implementation Modalities, at [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.51.08.Rev\\_.01\\_Monitoring\\_Agency\\_Compliance\\_v2.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.51.08.Rev_.01_Monitoring_Agency_Compliance_v2.pdf). According to this, compliance will be measured by Agencies' self-assessments, supported by a certification process every four years, beginning in 2022. The scope of compliance is described as reporting where policies or processes have changed and explaining the consequences of this change. Policy effectiveness is not mentioned. However, despite these limitations, the GEF has undertaken to assess the effectiveness of its Agencies' transparency and stakeholder engagement policies (see: [https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.Inf\\_.03\\_GEF\\_Practices\\_on\\_Disclosure\\_of\\_Information\\_4.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/C.41.Inf_.03_GEF_Practices_on_Disclosure_of_Information_4.pdf); [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.51.Inf\\_.05\\_Review\\_of\\_Agencies\\_on\\_Stakeholder\\_Engagement.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.51.Inf_.05_Review_of_Agencies_on_Stakeholder_Engagement.pdf); <https://www.thegef.org/council-meeting-documents/evaluation-gef-cso-network>). Evidence of stakeholder engagement and consultations is also captured in project documentation. Moreover, the GEF Independent Evaluation Office's OPS6 Report: The GEF in the Changing Environmental Finance Landscape (<https://www.thegef.org/council-meeting-documents/draft-report-ops6-prepared-gef-independent-evaluation-office>) underscores the need for the GEF to demonstrate better effectiveness regarding a number of fiduciary policies, including transparency, accountability and anti-corruption.

194. The CIFs require that stakeholder engagement be regularly monitored and reported throughout project cycles (see, for example, [https://www.climateinvestmentfunds.org/sites/default/files/knowledge-documents/ctf\\_monitoring\\_and\\_reporting\\_toolkit\\_version\\_4.6\\_\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/knowledge-documents/ctf_monitoring_and_reporting_toolkit_version_4.6__0.pdf)). As an example of a project evaluation, see [https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/saint\\_lucia\\_ppcr\\_mr\\_report\\_final.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/saint_lucia_ppcr_mr_report_final.pdf). Stakeholder engagement was

also assessed in the CIFs' independent evaluation ([https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/ctf\\_scf\\_tfc\\_12\\_3\\_independent\\_evaluation\\_of\\_the\\_cif\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/ctf_scf_tfc_12_3_independent_evaluation_of_the_cif_0.pdf)). The CIFs do not require that anti-corruption and integrity are monitored and evaluated via project evaluations and progress reports. As such, it is difficult to assess the effectiveness of the integrity functions. The Multilateral Development Banks must regularly submit quarterly financial reports and annual externally audited financial statements, in accordance with their obligations in the Financial Procedures Agreements and in line with their own policies, procedures and practices. The latter, however, could not be found in a public information source (see [www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Status%20of%20Involvement%20of%20the%20Bank%20in%20the%20Climate%20Investment%20Funds%20\(CIFs\)%20-%2009%2009%202010%5B1%5D.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Status%20of%20Involvement%20of%20the%20Bank%20in%20the%20Climate%20Investment%20Funds%20(CIFs)%20-%2009%2009%202010%5B1%5D.pdf)). The CIFs monitoring and reporting framework does not assess whether procurement processes have been transparent or fair. Reporting does occasionally refer to delays in procurement processes, as is reflected in the Independent Evaluation of the CIFs ([https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/ctf\\_scf\\_tfc\\_12\\_3\\_independent\\_evaluation\\_of\\_the\\_cif\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/ctf_scf_tfc_12_3_independent_evaluation_of_the_cif_0.pdf)). However, this does not capture how effective procurement processes have been in terms of fairness and transparency. Nonetheless, two significant developments in risk management have taken place within the CIFs: the finalisation of an Enterprise Risk Management dashboard, and the appointment of a Senior Risk Management Officer to oversee implementation through annual reviews. In 2017, the Senior Risk Manager is to undertake a review of the multilateral development banks' policies and practices related to CIFs' programmes' and projects' exposure to fraud risk. According to the Administrative Unit, the Officer will also "seek to implement a process within the Administrative Unit to monitor media reports of potential instances of fraud related to Climate Investment Funds programs and projects, and to follow up with the corresponding multilateral development bank(s) where appropriate". In that context, the CIFs' initial risk management categorisation says that "recognizing that each multilateral development bank has robust procedures in place to mitigate misuse of funds, multilateral development bank reporting on actual misuse of funds to the Committee may not be timely" and that "a systematic, common framework for reporting such incidences is not

- in place for the Clean Technology Fund”, [https://www.climateinvestmentfunds.org/sites/default/files/CIF\\_ERM\\_Program\\_Aug%2018,%202013\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/CIF_ERM_Program_Aug%2018,%202013_0.pdf) (p. 11). The CIFs independent evaluation has studied the effectiveness of transparency practices of implementing entities for CIFs projects. See: [https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/ctf\\_scf\\_tfc\\_12\\_3\\_independent\\_evaluation\\_of\\_the\\_cif\\_0.pdf](https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/ctf_scf_tfc_12_3_independent_evaluation_of_the_cif_0.pdf)).
195. The GCF has not yet undertaken performance reviews of its accredited entities. However, the GCF’s Monitoring and Accountability Framework outlines that the GCF’s fiduciary standards are monitored regularly. See [http://www.greenclimate.fund/documents/20182/319135/1.6\\_-\\_Fiduciary\\_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd](http://www.greenclimate.fund/documents/20182/319135/1.6_-_Fiduciary_Standards.pdf/083cfe10-46f4-4a73-b603-8d7bfd2a35bd).
196. This indicator measures the extent to which the funds (1) undertake to assess the effectiveness of implementing entities in providing access to project and project-related information to the public and in responding to information requests, and (2) disclose those assessments publicly on their websites.
197. This indicator measures the extent to which the funds have undertaken to assess the effectiveness of the ethics and conflicts of interest policies, practices and procedures undertaken by implementing entities. This would encompass publicly reported reviews regarding the track record of implementing entities (following criteria similar to those stated at *supra* n. 170).
198. The effectiveness of financial management, reporting and audit of implementing entities is best demonstrated by the regular and timely public disclosure on a fund’s website of independent financial audit reports of projects and/or of accounts of implementing entities with respect to project or other finance received by the respective fund. While each implementing entity may publish annual financial audit reports which demonstrate such effectiveness, this study did not undertake to investigate such reports housed on implementing entities’ websites (without any link from the funds’ websites). The point being that demonstration of effectiveness should be visible at the fund level.
199. This indicator measures the funds’ actions to assess the effectiveness of their applicable whistleblowing policies, taking into consideration criteria such as the number and type of: concerns raised by whistleblowers; enforcement actions that have been triggered or contributed to by whistleblowers; measures that have been taken to protect individual whistleblowers, including actions taken against implementing entities for failing to protect whistleblowers; and whistleblower claims that have been taken to external arbiters (adapted from the Council Of Europe’s publication: *Protection of Whistleblowers: A Brief Guide for Implementing a National Framework*, at <https://rm.coe.int/16806ffbc>).
200. *Ibid.*, at n. 183. The GEF’s Independent Evaluation Office has conducted Country Portfolio Evaluations, which include assessments of corruption and fraud (see: <http://www.gefio.org/sites/default/files/ieo/ieo-documents/cpe-guidelines.pdf>). Five such evaluations on the Office’s website refer to corruption as being a challenge in each of the evaluated countries. One of the reports cites a specific case of “irregularities in project management procedures and mismanagement of funds” and remedial measures taken to resolve that problem (see: <http://www.gefio.org/sites/default/files/ieo/evaluations/cpe-cameroon.pdf>).
201. This indicator measures the fund’s actions to assess the effectiveness of implementing entities’ stakeholder engage policies, as presented *supra*, nn. 114–118.
202. *Global Corruption Report: Climate Change* (Transparency International, 2011), [www.transparency.org/whatwedo/pub/global\\_corruption\\_report\\_climate\\_change](http://www.transparency.org/whatwedo/pub/global_corruption_report_climate_change).
203. Transparency International worked with the Stockholm Environment Institute to develop the mapping and assessment methodology and to run it for the Climate Investments Funds, the Global Environment Facility and the Adaptation Fund. Transparency International further worked with Tim Cadman and Inken Reimer to carry out a mapping and assessment of the UN-REDD and Forest Carbon Partnership Facility.



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