



GREEN  
CLIMATE  
FUND

Independent  
Integrity  
Unit

# 3rd GCF Integrity Forum

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5-7 November 2024

Songdo, Republic of Korea

*"From Commitment to Action:  
Realising Integrity in Climate  
Finance"*

## Executive Summary

The 3<sup>rd</sup> Green Climate Fund (GCF) Integrity Forum, hosted by the GCF Independent Integrity Unit (IIU) from November 5-7, 2024, in Songdo, Republic of Korea, brought together 75 participants from 59 GCF Direct Access Entities (DAEs), representing around 70% of the total DAEs. This flagship event aimed to promote climate action by addressing integrity challenges in climate finance and served as a platform to explore and advance strategies for ensuring integrity and accountability in climate projects. The Forum's theme, "From Commitment to Action: Realising Integrity in Climate Finance," underscored the urgent need to address integrity risks in climate finance, given the scale and urgency of the climate crisis.

The key objectives of the Forum were:

- **Advance knowledge and strategies** to enhance integrity in GCF projects;
- **Equip DAEs with integrity tools and best practices;** and
- **Share practical solutions and new ideas** among participants, turning those insights into action.

The Forum provided a collaborative learning space where participants were equipped with practical tips and strategies aimed at improving integrity across their operations. The event emphasised both the theoretical and practical aspects of integrity, addressing the specific challenges that climate finance projects face. Sessions focused on implementing GCF integrity policies, proactive risk management strategies, and embedding integrity within the organisational culture. Rather than just theoretical discussions, the agenda offered clear, actionable steps tailored to the challenges of integrity in climate finance projects.

A series of learning sessions ensured a comprehensive understanding of integrity issues, with practical tools and approaches for implementing effective measures. Topics ranged from managing conflicts of interest to implementing whistleblower protections to embedding a culture of integrity across organisations. A strong focus was placed on actionable tools that could be directly applied to projects, ensuring that participants left with concrete steps to improve integrity within their contexts.

The Forum actively engaged partner institutions such as the Asian Development Bank Office of Anti-Corruption and Integrity, the World Bank Integrity Vice Presidency, the International Organization for Migration, The Global Fund, and Transparency International. These institutions contributed valuable insights, enriching the discussions and providing additional resources for participants.

A major takeaway was the need for continuous capacity-building to address evolving integrity risks in climate finance. Participants discussed how to create a culture of integrity within their organizations, emphasizing the importance of training, awareness-raising, and leadership buy-in. The Forum concluded with the development of actionable roadmaps for each participant, empowering them to implement integrity measures within their organizations. These roadmaps included setting short-, medium-, and long-term goals, with a follow-up mechanism to track progress and ensure sustained impact.

A key outcome was the establishment of peer-to-peer learning networks, enabling DAEs to continue collaboration and share best practices beyond the event. These networks create a platform for ongoing knowledge exchange and support, ensuring that momentum is maintained as participants work to implement integrity strategies.

The Forum reaffirmed GCF's commitment to advancing integrity in climate finance by equipping participants with the necessary tools and knowledge to translate integrity commitments into tangible actions. This will enhance the effectiveness of climate finance projects and safeguard the funds essential for addressing global climate challenges.

## Forum Session Summaries

### *Day 1: Foundation and Frameworks*

#### **Highlights:**

- **Opening Remarks:**

**Darren Tan, Chief Finance and Risk Officer at the GCF, and Karen Ernst, Head of the IIU,** delivered opening remarks that emphasised the growing importance of maintaining integrity in climate finance. Darren Tan discussed GCF's new organisational structure aimed at improving efficiency and effectiveness in its climate programs, noting that the Fund's target to manage \$50 billion by 2030 presents both an opportunity and a challenge in safeguarding resources. Karen Ernst stressed the role of integrity in ensuring that climate finance initiatives are executed transparently and effectively, calling on all GCF stakeholders to adopt a strong commitment to integrity.

- **Scene Setter:**

Head of the IIU Karen Ernst outlined the framework for the conference, emphasising the importance of integrity in climate finance and re-iterating the commitment of GCF and all its stakeholders to integrity as outlined through its policies and legal arrangements, supporting to build a culture of integrity across GCF projects and programmes.

- **Foundational Sessions on Integrity Policies:**

Day 1 provided a deep dive into GCF's integrity policies, focusing on the key principles that govern GCF's operations and the responsibilities of Accredited Entities (AEs) in maintaining these standards. The session addressed the role of due diligence and risk assessments in identifying and mitigating integrity risks early in project implementation.

- **Sessions on Investigations and Compliance:**

A key session focused on investigation protocols and how IIU conducts investigations into allegations of prohibited practices within GCF-funded activities. Participants were also introduced to the reporting mechanisms available for raising concerns.

- **Managing Conflicts of Interest:**

The session tackled the complexity of actual, perceived, and potential conflicts of interest, particularly in procurement and project evaluation processes.

## *Day 2: Proactive Approaches and Strategic Discussions*

Day two of the Forum provided participants with an opportunity to dive deeper into the critical elements of integrity. Key discussions included the importance of robust complaint mechanisms and whistleblower protections, as well as proactive strategies for integrity risk assessment and mitigating violations in GCF projects.

### **Highlights:**

- **Proactive Risk Management:**

This session provided a comprehensive overview of the proactive integrity review process, focusing on strategies to identify and mitigate risks in project management, financial oversight, and procurement. The session emphasised the importance of risk-based approaches, capacity building, and clear accountability structures.

The session also covered the use of data analytics and machine learning to assess risks early in the project lifecycle and mitigate them before they escalate. In this session, integration of machine learning and artificial intelligence (AI) into risk management processes within the GCF, particularly through the Proactive Integrity Review mechanism was presented. The session highlighted how these technologies enhance efficiency, accuracy, and cost-effectiveness, enabling organisations to better identify and mitigate risks across large datasets and complex portfolios.

- **GCF's Programmatic Priorities and Integrity:**

Henry Gonzalez, Chief Investment Officer at the GCF, presented GCF's strategic vision, programmatic priorities, highlighting the intersection of integrity with mitigation and adaptation goals. He also presented how the GCF is transitioning towards a more regional structure, allowing it to better address local needs and challenges.

- **Panel on Multilateral Finance:**

The panel featured experts from The Global Fund and the International Organisation for Migration, who discussed how to uphold integrity in large-scale, multilateral projects, emphasising collaborative approaches and shared responsibility among agencies.

- **Setting Up and Strengthening the Integrity Function**

This session explored strategies to establish and enhance the integrity function within organisations, particularly in contexts with limited resources and competing priorities. The session provided actionable insights on integrating integrity into operations and overcoming common challenges. Participants engaged in a scenario-based discussion on how to address limited resources, resistance to training, and lack of leadership support.

## *Day 3: Future Planning and Culture of Integrity*

Day three focused on how participants would leverage the insights gained over the past two days to move from commitment to action in realizing integrity in climate finance. The morning sessions featured experts from Transparency International, the Asian Development Bank, The Global Fund, the International Organisation for Migration, and the World Bank, who shared their approaches to embedding integrity into their organisational cultures and operational frameworks. At the end of the Forum, the participants engaged in a roadmap exercise which includes strategic planning, reflecting on the key takeaways from the Forum.

## Highlights:

- **Integrity in Procurement:**

Day 3 focused on integrity in procurement, including strategies for preventing fraud, bid-rigging, and other unethical practices. The session underscored the importance of segregating procurement duties and maintaining transparency to detect fraud.

- **Investigative Interviewing:**

This session focused on investigative interviewing techniques, emphasizing the need for ethical, empathetic, and trauma-informed approaches, particularly when dealing with whistleblowers and vulnerable populations.

- **Developing a Culture of Integrity:**

The Forum concluded with discussions on building a culture of integrity within organisations. Leadership must be actively involved in integrating integrity policies into everyday practices, providing training, and fostering an environment of learning.

- **Roadmap planning sessions:**

Participants engaged in strategic planning, reflecting on the key takeaways from the Forum and identifying concrete steps for advancing integrity within their institutions. The exercise provided a structured opportunity for participants to reflect on their learnings, set actionable goals, and create a clear path toward implementing integrity initiatives. To ensure participants remain accountable to their commitments, the completed roadmap forms were emailed back to them after the Forum. This reminder serves to reinforce their accountability and remind their focus on implementing the roadmap actions.

## Interactive Elements

A core aspect of the 3<sup>rd</sup> GCF Integrity Forum was its interactive format, which encouraged engagement and allowed participants to actively apply what they were learning.

- **Breakout Groups:** On both Days 1 and 2, participants were divided into small groups to tackle real-world scenarios related to integrity. Each group discussed how to handle conflicts of interest, set up whistleblower mechanisms, or implement proactive risk assessments. These discussions were followed by feedback sessions where experts provided insights into improving participants' strategies.
- **1-on-1 Clinics:** Participants had the opportunity to receive tailored clinic consultations with staff members at the IIU as well as other GCF teams, including the Independent Evaluation Unit, the Independent Redress Mechanism, and the Office of Risk Management and Compliance. These one-on-one sessions provided tailored advice on addressing integrity challenges specific to the participant's organisation or region.
- **Knowledge Sharing Marketplace:** The Marketplace sessions allowed DAEs and other GCF entities to share best practices and successful projects. Participants visited booths to learn from their peers, ask questions, and explore opportunities for future collaborations.
- **Live Polling and Q&A:** Tools like Mentimeter were used to conduct live polling and Q&A sessions, where participants could share their thoughts on integrity-related issues in real-



time. These sessions enabled facilitators to adapt discussions to the needs of the audience and fostered an interactive environment where everyone could contribute.

## Key Takeaways and Recommendations

### Key Takeaways:

- **Embedding Integrity into Core Business Practices:** The Forum underscored that integrity should be deeply embedded into the core operations of DAEs, transcending basic compliance to become an integral organisational value. This requires developing and implementing comprehensive integrity frameworks, with strong leadership commitment to model ethical behaviour. Top management must lead by example to ensure that integrity is reflected across all strategic documents, operations, and decision-making processes.
- **Creating Peer-to-Peer Learning Networks:** A significant outcome from the Forum was the emphasis on peer-to-peer learning networks. These networks allow DAEs to share best practices, resources, and lessons learned, fostering collaboration and mutual support. By facilitating knowledge exchange among entities, especially those with varying levels of experience, these networks help address common integrity challenges and promote regional solutions tailored to local contexts.
- **Strengthening Risk Management and Accountability Mechanisms:** Strong risk management systems are essential to maintaining integrity in climate finance. DAEs must establish clear protocols for managing conflicts of interest and implement robust whistleblower protection systems. Civil Society Organisations (CSOs) can play a critical role in providing external oversight, ensuring transparency and accountability throughout the project cycle.

### Recommendations:

- **Expand Whistleblower Protection and Reporting Mechanisms:** Standardised whistleblower protection guidelines will ensure alignment with international best practices. A secure, multilingual digital platform should be created to facilitate confidential reporting of unethical behaviour, preventing retaliation. DAEs should implement internal reporting systems in line with these guidelines and ensure staff are trained to use these systems effectively, fostering a culture of trust and transparency.
- **Sustained Capacity Building:** Roll out targeted capacity-building programs focused on integrity risk assessments and compliance, especially for DAEs operating in low-capacity environments. Regional peer learning exchanges and the provision of integrity toolkits tailored to specific operational contexts will help DAEs strengthen their internal systems. DAEs should actively participate in these programs and identify internal capacity gaps, establishing teams to implement the practices learned.
- **Strengthen Proactive Risk Management Systems:** Develop digital tools leveraging AI and machine learning to detect integrity risks such as procurement fraud and conflicts of interest. Regular integrity audits should be conducted, particularly for high-risk DAEs, to proactively identify vulnerabilities. DAEs should adopt these tools into their

workflows, ensuring regular integrity reviews are integrated into project cycles, and assign dedicated risk officers to monitor and address flagged issues.

- **Foster Cross-Sectoral Collaboration for Integrity:** Convene regular multi-stakeholder dialogues that bring together DAEs, AEs, CSOs, and private sector actors to share best practices, case studies, and solutions for common integrity challenges. This will strengthen collective efforts to uphold integrity across the GCF ecosystem. DAEs should actively engage in these dialogues, share data and lessons learned, and apply the collaborative frameworks developed through these discussions to enhance transparency and foster stronger relationships.
- **Embed Integrity into Organizational Culture:** Develop and distribute an integrity culture framework that includes training modules, awareness campaigns, and leadership tools to embed integrity at all levels within DAEs. DAEs should appoint integrity champions within teams to lead ongoing training and awareness-raising initiatives. Additionally, performance metrics tied to transparency and ethical behaviour should be established to ensure accountability from staff and leadership.
- **Increase Transparency in Procurement and Financial Processes:** Issue procurement transparency guidelines and provide DAEs with due diligence checklists, along with training sessions to reduce fraud and corruption risks in procurement processes. An independent monitoring mechanism should be established for high-value procurement activities to ensure greater oversight and prevent unethical practices. DAEs should integrate these guidelines into their procurement practices, ensuring transparency in financial management, and engage independent auditors for high-value contracts.
- **Develop Tailored Integrity Frameworks for Regional Contexts:** Conduct regional consultations with DAEs to co-create integrity frameworks that address specific governance challenges in different regions. These frameworks should be piloted in select regions to refine them before broader implementation. DAEs should adapt these frameworks to their specific operational contexts, ensuring alignment with local laws and cultural practices, making them more effective and relevant.

## Conclusion

The 3rd GCF Integrity Forum included a strengthened commitment to embedding integrity within GCF operations and project implementation processes. Participants developed a shared understanding of the crucial role that technology, collaboration, and proactive risk management play in maintaining integrity across operations. The Forum also provided actionable strategies for addressing integrity challenges, particularly focusing on whistleblower protection, procurement integrity, and investigative processes.

As climate finance continues to expand in scale and complexity, it is essential that all stakeholders prioritise integrity as a continuous process rather than a one-time task. The Forum emphasized that maintaining integrity requires the active participation of everyone—from GCF management to field staff and external partners. In a strong call to action, participants committed to applying the knowledge, tools, and strategies gained from the Forum within their organizations, integrating these principles into organisational policies and day-to-day operations.