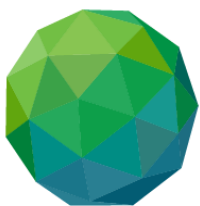




2023 GCF Integrity Forum: “Partnering for Integrity in Climate Action”

Report of Forum Proceedings and Outcomes



**GREEN
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Independent
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I. Introduction

The Independent Integrity Unit (IIU) of the Green Climate Fund (GCF) hosted the 2nd GCF Integrity Forum between the 13th and 15th September 2023 in Bangkok, Thailand. Under the theme of “Partnering for Integrity in Climate Action,” the Forum brought together 54 representatives from 36 GCF Direct Access Entities (DAEs) and 11 representatives from seven expert resource institutions to discuss integrity issues and share best practices in implementing GCF-funded activities.

The Forum was designed with the aim to promote collaborative efforts in tackling integrity challenges in climate finance and foster a culture of accountability, transparency and integrity. Through learning and discussion sessions, the Forum served as a capacity-building platform, fostering peer learning and collaboration and compliance with GCF integrity standards. The Forum provided an opportunity to deepen the knowledge about different aspects of the GCF Integrity Policy Framework and the obligation of DAEs to uphold GCF integrity standards in implementing GCF-funded activities. Participants also obtained an overview of IIU’s initiatives, platforms for capacity building, the peer learning alliance and other engagement opportunities.

To help shape the Forum according to the needs and interests of DAEs, as well as to benefit from a collective learning approach, the IIU conducted regional consultation sessions during the month of July 2023. The primary purpose of these sessions was to obtain insights to inform the agenda of the Forum, as well as to help shape a broader IIU outreach and engagement strategy for future initiatives. A total of four consultation sessions were conducted, three being virtual for the regions of (i) Asia and Pacific, (ii) Latin America and the Caribbean and (iii) Africa Region, and (iv) one in person with certain representatives from African DAEs.

This report highlights the key messages, as well as internal lessons and recommendations gathered throughout the Forum.

II. Objectives, Expected Outcomes and Approach

The main aim of the Forum was to promote collaborative efforts in tackling integrity challenges in climate finance and foster a culture of accountability, transparency and integrity. In that line, the Forum served as a platform to advance some of the main responsibilities of the Independent Integrity Unit, namely:

- Build integrity capacity of GCF stakeholders;
- Collaborate with peer institutions; and
- Promote awareness of integrity standards.

The objectives of the second Integrity Forum were outlined as follows:

Strengthen the Integrity Network	Serve as a platform to strengthen the integrity network among GCF Direct Access Entities, IIU and other stakeholders. It will facilitate dialogue, networking and information exchange, enabling participants to build relationships and collaborate beyond the event.
Address Integrity Challenges	Identify and address integrity challenges in GCF-funded activities. Through interactive sessions and panel discussions, participants will explore ways to enhance integrity standards and ensure compliance in GCF-funded activities.



Facilitate Peer Learning	Provide a unique opportunity for GCF Direct Access Entities to engage in peer learning exercises. Participants will have a platform to share experiences, challenges and best practices in implementing GCF-funded activities.
Highlight Best Practices	Showcase exemplary practices and success stories in integrating integrity measures into GCF-funded projects. By highlighting best practices, participants can gain valuable insights and inspiration to enhance their own integrity frameworks.
Promote Collaboration	Foster collaboration among GCF Direct Access Entities and IIU. It will encourage partnerships for integrity, aiming to strengthen collective efforts.

III. Forum Highlights and Outcomes

The Integrity Forum created a dynamic environment for participants to gain a deeper understanding of the GCF Integrity Policy Framework, learn from their peers, and receive tailored consultations on addressing integrity challenges in their organisations. At the end, participants filled out a survey to assess and provide feedback on different aspects of the Forum. The results of this anonymous survey can be found online: view the [English](#) and [French](#) versions.

Overall, participants reported having a positive experience at the Integrity Forum, with an average rating of 4.58 out of 5. Of the 53 respondents, all but one felt that they had gained useful knowledge to be able to strengthen integrity within their organisations and related GCF-funded projects.

Specifically, participants found sessions the included case studies and group activities most valuable, especially the Mitigating and Managing Conflicts of Interest, Fostering a Culture of Integrity within an Organisation, and the Detecting and Mitigating Fraud in the Procurement Process sessions. In addition, participants favored sessions that shed light on IIU processes, such as the Role and Work of IIU, Corruption and Fraud: A Threat to Climate Action Sustainability, and Investing Prohibited Practices in GCF Projects and Programmes.

There was a strong emphasis on interactive sessions in the survey. More than two-thirds of respondents indicated that the learning sessions and workshops, which involved groupwork and analysing case studies, were the preferred session formats.

Finally, respondents reported several benefits from participating in the Forum. 42 of the 53 respondents answered that they now have a better understanding of the role of the IIU and how it functions. 32 people reported learning more from their peers. And 28 people reported developing a stronger network of integrity professionals.

The key feedback points, as listed by the participants in the survey, include:

Knowledge Gain

- **Diverse Learnings:** Participants highlighted gaining knowledge on various integrity strategies, including best practices, tools, communication strategies on integrity, the role of Prevention Implementation Reports (PIR), conflict of interest management, and proactive prevention through machine learning.



- Procurement Processes: Participants especially highlighted insights on improving integrity in procurement processes, sharing strategies among each other.
- Cultural Integration: Participants worked collaboratively to develop practical ways to implement or improve the culture of integrity within organisations.

Workshop Session Modality

- The workshop session format, combining theory through presentations and practical insights from case studies and discussions, was widely appreciated.
- The Forum's focus on case studies and real-world scenarios allowed for a contextual understanding of challenges, enabling participants to draw from the experiences shared by experts and peers alike.

Pre-Forum Consultation Sessions

- Participation: 51% of respondents engaged in one of three Pre-Forum Consultations that the IIU held, with 95% of those respondents finding them valuable.
- Effectiveness: Participants felt that the consultations provided valuable insights into how the Forum was being developed and allowed for the opportunity to shape the Forum agenda.

One-on-One Clinic Consultations

- Participants found the one-on-one clinic consultations highly valuable for delving into organisational contexts, understanding IIU modalities, and obtaining advice on processes.

IV. Session Summaries

This section presents a summary of the main points that were covered during each session. For further details on each session please refer to each session description and/or PowerPoint presentation which can be found in the folder: [Final Session Descriptions and PPTs](#).

DAY 1: WEDNESDAY, SEPTEMBER 13, 2023

Session 1: Opening and Introductory Session

The opening session of the Integrity Forum featured a video greeting by the GCF Executive Director Mafalda Duarte and opening remarks by Karen Ernst, Head of the IIU. This opening session framed the Forum's overarching mission, setting the stage for substantive discussions and collaborative endeavors to address integrity challenges in climate finance. The Executive Director's video message underscored the importance of collaboration between the GCF, Direct Access Entities, and other stakeholders in advancing climate action. Emphasising the critical role of climate action, the session highlighted the inherent risks, particularly in terms of integrity. The remarks emphasised the nexus between corruption and the hindrance of effective project implementation, leaving communities more susceptible to climate threats. The overarching goal, as articulated in the session, was to embed integrity within the entire project lifecycle. The presentation emphasised that integrity risks are inherent in climate action, necessitating robust partnerships and proactive measures.

Session 2: Enhancing Integrity in Climate Financed Projects: The Role of the Independent Integrity Unit



The second plenary session of the Integrity Forum, led by IIU Head Karen Ernst, was dedicated to emphasising the role of integrity within climate-financed projects and introducing the functions of the IIU. The session not only underscored the critical importance of integrity in achieving climate action goals but also provided a comprehensive overview of the IIU, its mandate, accountability line and organisational structure, elucidating how the IIU collaborates with DAEs. The IIU workstream leads, including Deputy Head Albert Lihalakha, Chief of Investigations Hyung Tae (Mike) Kim, Integrity & Compliance manager Sanjeev Narrainen, and Outreach & Engagement Manager Bayartsetseg Jigmiddash shared insights about their different fields of work within the IIU.

Key Takeaways:

- IIU is one of the accountability mechanisms of the GCF, reporting directly to the GCF Board. Its main objective is to support integrity in climate action.
- Main responsibilities of the IIU include: Assess and investigate suspected integrity violations in GCF-funded activities and report findings to respective authorities, advise the GCF on integrity policies, collaborate with peer institutions, build integrity capacity in GCF stakeholders, and promote awareness of integrity standards.
- The GCF Integrity Policy Framework outlines the policies that are of relevance and should guide the integrity action across the GCF and its partners, including DAEs.

Session 3: Corruption and Fraud: A Threat to Climate Action Sustainability

The objective of the session was to set the tone for the Forum by shedding light on the intricate relationship between corruption and climate action. The session aimed to elucidate the implications of corruption in climate projects and to underscore the challenges faced in such projects. The panellists, representing diverse international organisations and civil society, provided insights into the climate action-corruption nexus and discussed strategies to address this critical issue.

Brice Böhmer, Climate & Environment Lead at Transparency International, focused on the current state of corruption within the climate action sphere. He highlighted specific areas and sectors that are most susceptible, such as extractive industries. Brice pointed out that financial flows directed to countries facing a high risk of corruption exacerbate the problem. Poor governance and regulatory loopholes were identified as key factors contributing to corruption in climate projects. He emphasised the need to address state capture and challenge social norms around bribery.

Richelieu Lomax, Senior Litigation Specialist and Regional Team Leader for East Asia and Pacific Investigations at the World Bank Group Integrity Vice Presidency, delved into the effects of corruption that organisations may encounter and, more importantly, explored the broader impacts on the sustainability of climate projects. He emphasised the World Bank's commitment to combating corruption and shared insights on how the organisation is working to mitigate these challenges.

January Sanchez, Senior Integrity Specialist at the Asian Development Bank Office of Anticorruption and Integrity, focused on the climate-corruption nexus in development projects. She elaborated on the specific challenges faced by the ADB in navigating the complexities of corruption within the context of climate initiatives. January discussed proactive measures taken by the ADB to enhance transparency, integrity, and accountability in ADB projects.

Dr. Nana Künkel, Cluster Coordinator of the Agriculture & Food Cluster at GIZ, provided a practitioner's perspective by sharing experiences from the implementation of the Thai Rice GCF project. She highlighted challenges faced on the ground and strategies employed to address corruption risks in agricultural and



food-related climate projects. She also emphasised the importance of collaboration between international organisations, governments, and local communities to build resilience against corruption.

Key Takeaways:

- The climate crisis is being worsened by lack of integrity as corruption can counter and dilute financial efforts. Corruption risks can range from undue influence on policies and regulations, to misallocation of funds, and manipulation of markets, reporting and verification mechanisms.
- Corruption makes it easier to evade regulations and reclamation, which results in environmental damage and overuse of the resources, and poor mitigation strategies.
- Investigations stemming from complaints regarding integrity violations is the first way to fight fraud and corruption.
- National Designated Authorities (NDAs) and Accredited Entities should improve their respective capacities to strengthen integrity and address specific corruption risks. Implementing entities can also make use of the multitude of tools that have been developed for monitoring, evaluation, and stakeholder engagement.

Session 4: Mitigating and Managing Conflicts of Interest

The workshop, led by Sanjeev Narrainen, IIU Integrity & Compliance Manager, aimed to enhance participants' understanding of Conflicts of Interest and to present and discuss modalities for preventing and addressing such conflicts. The session focused on providing a comprehensive overview of what constitutes a Conflict of Interest, presenting relevant concepts and examples, and engaging participants in interactive case study group work.

The workshop covered concepts, examples and important elements of Conflicts of Interest. This included defining what constitutes a Conflict of Interest, providing real-world examples, and highlighting the crucial elements involved. The presentation laid the groundwork for participants to grasp the complexities of Conflicts of Interest in various contexts. Following the presentation, participants engaged in an interactive session involving case study group work. Small groups were formed to analyse and discuss hypothetical scenarios that presented potential Conflicts of Interest and to apply in a hands-on approach the concepts learned, share insights, and collaboratively explore strategies for prevention and resolution.

Key Takeaways:

- Conflict of Interest is not per se a prohibited practice but can lead to a series of prohibited practices if not mitigated or managed adequately.
- Conflicts of Interest can cause a series of reputational damage as well, and can become present due to ineffective organisation strategy, poor decision-making and weak accountability and oversight, amongst others.
- The work on the case study revealed that sometimes a case of Conflict of Interest may not be so clear to identify and therefore each case should be analysed individually. If in doubt, it is always recommended to seek advice and err on the side of disclosure.

Session 5: Investigating Prohibited Practices in GCF Projects and Programmes

This learning session was designed to introduce participants to GCF Prohibited Practices and the external investigation processes conducted by the IIU. Led by Hyung Tae (Mike) Kim, Chief of Investigations, the



session aimed to familiarize attendees with the IIU's mandate, investigative functions and types of investigations. The session covered IIU investigative mandate and function emphasising its independence and commitment to ensuring integrity in GCF projects. Participants gained an understanding of the different types of investigations conducted by the IIU, both internal and external as well as IIU's investigative process, from initiation to reporting. The session emphasised the collaborative nature of investigations, stressing the importance of cooperation with counterparties to ensure effective and unbiased outcomes. Practical insights were provided through external investigation scenarios and case studies, allowing participants to apply theoretical knowledge to real-world situations.

Key Takeaways:

- IIU addresses instances of Prohibited Practices through an effective policy framework, internal controls and risk detection, and investigative deterrence.
- IIU investigations are a four-step process: receipt of the complaint, intake assessment, preliminary assessment, and depending on the findings, the start of the full investigation.
- A series of mechanisms can help mitigate the occurrence of prohibited practices. These include a Confidential Hotline and Intake Process, Whistleblower/Witness Protection Functional Independence Coordination and Reporting, amongst others.

Session 6: DAEs Panel – Experiences Towards the Path to Integrity

The panel discussion, moderated by Bayartsetseg Jigmiddash, IIU Outreach & Engagement Manager, aimed to provide a platform for DAEs to share their experiences, challenges, and lessons learned in building a path towards integrity within their respective organisations while implementing GCF-funded projects. By featuring insights from the field, diverse practices, and a discussion on navigating challenges, the panel sought to foster cross-learning and contribute to the collective integrity of GCF projects.

The panellists include Nawa Raj Dhakal, Executive Director of the Alternative Energy Promotion Centre (AEPC) in Nepal; Christian Fighter Manzi, Rural Landscapes Adaptation Specialist at the Ministry of Environment of Rwanda; Maribel Cabrera, Executive Coordinator for the Social Innovation Division at Fundación Avina; and Keith Nichols, Head of the Programme Development and Management Unit at the Caribbean Community Climate Change Centre (CCCCC).

Each panellist delved into real-world case studies, offering a detailed account of how they tackled integrity challenges at every phase of GCF project implementation. This included project design, stakeholder engagement, procurement, execution, and monitoring. The panel showcased a variety of practices and approaches employed by the represented entities to ensure integrity in implementing GCF-funded activities. This diversity offered a mosaic of perspectives and insights. The panellists openly discussed the challenges faced within their organisations on the path to integrity. These challenges ranged from overcoming capacity limitations to addressing policy gaps, providing valuable insights for other entities facing similar issues.

The session concluded with a focus on lessons learned and best practices that have emerged from the field. The panellists shared practical insights that could contribute to the continuous improvement of integrity practices in GCF projects.

Key Takeaways:

- In the process of adopting the required integrity framework, it is of importance to assess current policies, structures and practices and identify integrity gaps.



- A robust policy map helps guide DAEs internal actions as well as partners. Integrity policies standards and guidelines help ensure actions are now guided, normed and monitored, which in turn helps ensure climate project outcomes are to a higher standard.
- Having clear processes and roles assigned helps streamline decision-making and implementation processes for GCF projects while ensuring integrity measures.

DAY 2: THURSDAY, SEPTEMBER 14, 2023

Session 1: Understanding Proactive Integrity Reviews as a Capacity Building Tool

The session, moderated by Albert Lihalakha, Deputy Head of the IIU, aimed to introduce the concept of Proactive Integrity Reviews (PIRs) to DAEs. The objective was to help enhance their capacity by presenting the process, outcomes, and benefits of PIRs. The presentation by the ADB and insights from Sanjeev Narrainen (IIU) and Niraj Kumar (SPREP) contributed to a comprehensive understanding of the application of PIRs. The session began with an introduction to the concept of Proactive Integrity Reviews, emphasising their role in preventing, detecting, and addressing integrity risk areas. Sanjeev presented the detailed process of applying PIRs, highlighting best practices derived from practical experiences and elaborated on how engaging in PIRs can enhance organisational capacities to navigate integrity challenges effectively. Niraj shared SPREP's trajectory in applying PIRs, discussing the organisation's journey in implementing this proactive approach to integrity management. Niraj also provided insights into the main lessons learned, successes achieved, and challenges faced during the application of Proactive Integrity Reviews at SPREP.

Key Takeaways:

- Proactive Integrity Reviews (PIRs) are proactive comprehensive integrity risk assessments aiming to rate organisational and operational (project-related) integrity risks across numerous defined criteria. A PIR helps assess a project susceptibility to fraud, corruption, financial and other prohibited practices as well as reputational risks.
- PIRs are a mechanism that can help organisations identify gaps or red flags, and as such can help organisations develop an action plan to strengthen the areas that may be needed to avoid potential future problems and at the same time helping to ensure the effectiveness of projects.
- Machine learning is an innovation that can help boost the effectiveness of PIRs, as through data review, particularly in large transactions, it can help review and find associations that can mark potential red flags. Machine learning can assist greatly in general compliance oversight and for internal investigations.

Session 2: Innovative Tools for Prevention – Leveraging Data & Technology for Enhanced Integrity in Climate Action

The learning session, led by Gaurav Godhwani from CivicDataLab, aimed to share new trends and innovations in leveraging data and technology for enhanced integrity, transparency, and accountability in Climate Action. The session had three main objectives: introducing new trends and innovations, presenting case studies showcasing successful applications of data and technology, and explaining how these tools can be used to monitor projects and ensure deliverables are met.



The session began with an exploration of new trends and innovations in leveraging data and technology to enhance integrity in Climate Action. Gaurav highlighted emerging technologies and strategies that organisations could adapt to bolster transparency, accountability, and integrity within their operations. Participants were presented with various cases from India and other Asian countries, showcasing successful applications of data and technology. These examples illustrated how digital public goods can be co-created and deployed for tracking public funds, monitoring the public procurement lifecycle, and strengthening citizen participation. The session delved into practical aspects of how data and technology can be effectively used to monitor climate projects and ensure the timely delivery of objectives. He explained the role of these tools in providing real-time insights, enhancing project management, and promoting accountability. The session concluded with a discussion on how participants can identify and leverage suitable digital public goods for strengthening integrity in climate action.

Key Takeaways:

- Digital public goods (DPGs) can help enhance integrity, these include open AI systems, open-source software, open data and open content collections. Through these mechanisms, DPGs can help track public funds, monitor public procurement, and strengthen citizen participation.
- To help enable the tracking of public funds, budget related documents need to be publicly available/published in a reusable and comparable format, this allows data to be standardized.
- DPGs can enable citizen feedback and input, helping to identify the areas of need.

Session 3: Detecting and Mitigating Fraud during Procurement

This learning session, led by Richelieu Lomax from the Integrity Vice Presidency at the World Bank, aimed to strengthen DAEs by providing insights into the risk of the procurement stage to fraud and prohibited practices. The session's objective was to offer an overview of best practices and elements for detecting and mitigating fraud during procurement, enhancing the capacity of participants in ensuring the integrity of their projects. The session started with an overview of integrity risks inherent in the various stages of the project cycle, emphasising the critical role of the procurement process in this context. Participants gained insights into the intricacies of the procurement process. Richelieu highlighted key stages, potential vulnerabilities, and the importance of maintaining integrity throughout. A comprehensive examination of the underlying reasons for fraud and corruption in the context of procurement was provided. This segment aimed to deepen participants' understanding of the motivations behind prohibited practices. The elements contributing to a risk-prone environment during procurement were also presented, allowing participants to recognise and address these factors in their respective organisations. Practical insights into the detection of fraud during procurement were shared. This included methods, tools, and indicators that can be employed to identify irregularities. The session focused on best practices and preventative measures to fortify the procurement process against fraud. Participants learned how to build a robust system that minimises the risk of prohibited practices. Participants engaged in group work and case study analysis to apply their understanding in real-world examples. This interactive component allowed for the practical application of the concepts discussed during the session.

Key Takeaways:

- During the project cycle, the moment that is most at risk of fraud is procurement because bidders collude to seek higher prices and officials steer contracts in favour of bidders.
- To ensure fraud is mitigated, transparency, capacity and accountability need to be enhanced.



- Detection can ensure fraud is not escalated. DAEs should look for specific indicators that can help detect fraud, these include amongst others: looking at technical specifications, scoring of bidders, as well as number and types of amendments.
- The most important preventive measure is due diligence throughout the procurement process.

Session 4: Fostering a Culture of Integrity Within an Organisation

The workshop, led by Transparency International, had the primary objective of enabling DAEs to learn and implement best practices for fostering a culture of integrity within their organisations. The session covered the importance of integrity within an organisation and introduced the concept of the Integrity Pathway. The interactive workshop incorporated group work, where participants collaboratively developed a Common Action Plan to promote a culture of integrity.

The workshop presented the critical importance of fostering integrity within organisations. Participants gained insights into how a culture of integrity contributes to ethical behaviour, trust, and overall organisational success. An overview of the Integrity Pathway was provided, outlining a structured approach to building and sustaining a culture of integrity. This included key steps and considerations for organisations to follow in their integrity journey.

Participants engaged in group work to develop a Common Action Plan tailored to their respective organisations. This collaborative approach allowed for the sharing of diverse perspectives and experiences, fostering a dynamic and interactive learning environment. The workshop included facilitated discussions to encourage knowledge exchange among participants. This segment allowed DAEs to share challenges, successes, and strategies related to fostering integrity within their organisations.

Key Takeaways:

- Creating a culture of integrity within an organisation is one where honesty, ethical principles and standards are upheld by everyone in the institution, from leadership to entry-level employees.
- There are five signposts on the pathway to integrity: setting the tone from the top, establishing integrity policies, facilitating oversight, raising awareness, and addressing cultural barriers.
- There are a series of best practices that can help achieve the five signposts towards the pathway to integrity, these include: developing a code of conduct, conducting training programmes, establishing a robust whistleblower reporting system & protection and engage in dialogue around understanding and challenging prevailing cultural norms and practices that tolerate and/or inadvertently promote unethical behaviour.

Session 5: Effective Prevention and Redress of Sexual Exploitation, Abuse and Harassment (SEAH)

This session, led by Qian Cheng from the GCF Office of Sustainability and Inclusion, aimed to establish an understanding among participants on Sexual Exploitation, Abuse, and Harassment (SEAH) in the context of GCF-funded activities. The session sought to identify, prevent, and address SEAH, introducing a toolkit to enhance the capacity of Designated Authorities and Entities. The discussion also facilitated the exchange of ideas on challenges and practical approaches to address SEAH in climate action. The toolkit designed to help entities assess and develop response measures to manage SEAH risks was introduced



including its applicability in the context of GCF-funded activities. Participants engaged in a discussion on challenges related to SEAH and shared practical approaches to address these challenges in the context of climate action. This exchange facilitated shared learning and the identification of effective strategies.

Key Takeaways:

- GCF has a zero-tolerance policy for instances of Sexual Exploitation, Abuse, and Harassment.
- SEAH due diligence is part of the social safeguarding for funded activities and Accredited and Executing Entities need to prevent and respond effectively to SEAH in a survivor-centred and gender-responsive way.
- Specific requirements across the GCF programming cycle include:
 - Apply SEAH due diligence throughout the project cycle;
 - Integrate SEAH protections in the relevant safeguards' instruments of funded activities: ESMF/ ESMP, Gender Action Plan, tendering contracts, and documents; and
 - SEAH due diligence beyond risk assessment, monitoring and adapting the effectiveness of the mitigation measures is critical to preventing and protecting people from SEAH.

Session 6: Overview of the Direct Access Modality and GCF's Readiness and Preparatory Support Programme

In this session Daisuke Horikoshi, Principal Evaluation Officer at the Independent Evaluation unit, presented emerging findings of "Independent Evaluation of the GCF's GCF Readiness and Preparatory Support Programme (RPSP)" as well as key findings and recommendations of independent synthesis of direct access.

Key Takeaways:

- The GCF Readiness and Preparatory Support Programme (RPSP) aims to provide technical and capacity assistance to countries to help lower their emissions, but an Independent Evaluation Unit report shows that while it is an ambitious initiative, it has had the least effect in strengthening the National Designated Authority in vulnerable countries.
- Findings related to the Independent Synthesis of Direct Access in the GCF include:
 - GCF Secretariat communication practices are still perceived as inadequate by country stakeholders;
 - Institutional accreditation doesn't lead to successful programming nor judges the entity's ability to undertake climate programming; and
 - GCF's business model lacks agility and adaptive management in implementation as the DAE portfolio matures and diversifies.

DAY 3: FRIDAY, SEPTEMBER 15, 2023

Session 1: Corporate Compliance Programmes – Expanding the Fraud and Corruption Prevention Toolkit

The learning session, led by January Sanchez and Catherine Franco from the Asian Development Bank (ADB), aimed to present business integrity programmes as a tool to prevent, detect, and address fraud and corruption. The session focused on highlighting the elements of a business integrity programme and providing insights into its implementation following best practices. Key topics covered included the costs of corruption, primary internal control weaknesses as contributors, international instruments in fighting



fraud and corruption, and the essential elements of a business integrity programme. Participants were introduced to international instruments in the global fight against fraud and corruption and key elements of a business integrity programme. This included an examination of best practices, strategies, and tools that organisations can employ to establish effective integrity measures within their operations.

Key Takeaways:

- Primary internal control weaknesses are the main contributor to corruption and fraud.
- Best practices within a compliance programme include: Written policies, procedures, and standards of conduct; Establishing the integrity tone from the top; Reporting and addressing violations and Review and monitoring.
- Many MDBs have agreed to a harmonized strategy to fight fraud and corruption, and this is seen in [the Uniform Framework for Preventing and Combating Fraud and Corruption \(the Framework\)](#). The Framework contains guidelines and principles to conduct investigations. MDBs expect entities participating in MDB-financed projects to maintain the highest standard of integrity.

Session 2: Benefits of the Peer-to-Peer Learning Approach

The objective of the panel discussion, moderated by Lisa Scholz, Technical Advisor from GIZ, was to motivate organisations to join alliances of peer collaboration to enhance their integrity practices. The session aimed to reflect on the experiences and lessons learned, both positive and negative, in terms of peer collaboration. The panel explored the background and process of the Peer-to-Peer Learning Alliance (P2P LA) on climate finance integrity, featuring insights from member institutions. The panellists reflected on their motivations for joining alliances or peer collaboration initiatives, highlighting the specific benefits and learning opportunities that drew them to such partnerships. The session included an interactive Q&A segment, allowing participants to engage directly with the panellists, and further explore the topics discussed.

Key Takeaways:

- The Alliance is in the process of evolving whereby the GCF IIU is to assume main facilitation role going forward (in 2024). Membership is meant to be scaled up and partner organisations are meant to act as platform providers and observers.
- Through the Alliance, and on the basis of trust, DAEs have been able to support each other to adopt and effectively implement robust integrity and anti-corruption policies through peer learning.
- The different member organisations see and act as peers, who on a voluntary basis, commit their time to be able to present and exchange information and lessons, and support each other on the development and strengthening of integrity policies and practices.

Session 3: Integrity Forum Feedback, Suggestions for Next Steps and Way Forward

The final session centred around providing a reflection of the proceedings of the Forum as well as the input and request that were made by DAEs to the IIU. Within the reflection, some of the main expectations of the Forum from DAEs were highlighted, these included:

- Structures to support integrity;
- Examples of best practices;
- Tools;
- Mechanisms to implement policies;
- How to enhance the integrity policy framework;



- Monitoring effectiveness of integrity policy;
- Internal controls;
- Screening of contracts; and
- Guidelines to approve/ reject projects.

In addition, participants provided their feedback of the Forum through a survey and the IIU highlighted its main takeaways from the Forum, which included:

- An **increased understanding of DAE's challenges and expectations** regarding the development and adoption of integrity policies and practices.
- DAEs expressed their **interest and need for toolboxes/guidelines** that will help guide them in the adoption and implementation of integrity practices.
- A request by DAEs for **trainings and knowledge products**. DAEs expressed their need for regional trainings on different topics of interest such as: building an investigative function, conducting PIRs and the use of machine learning for integrity assessments, building the integrity capacity within the organisation as well as of partners, and many other topics.
- In addition, DAEs made it clear that the opportunities to get to know the role, function and support that the IIU can provide would be appreciated. In addition, the ability to **network** with other DAEs helped establish a link where peers can interact and feel supported within their tasks.

V. Way Forward

The Integrity Forum served as a pivotal platform for robust discussions, knowledge exchange, and the identification of key priorities to strengthen integrity practices among DAEs. Building upon the feedback gained and the collaborative spirit fostered during the Forum, the IIU presents a way forward plan that reflects the collective aspirations of the participants.

1. Continued Clinic Consultations

- Recognizing the high interest and value placed on the One-on-One Clinic Consultations by DAEs, the IIU commits to organizing further such sessions through diverse modalities. These consultations will provide tailored support, address specific challenges, and offer practical guidance to enhance integrity practices within individual organisations.

2. Showcasing Integrity Champions

- IIU has created an article series on its website designed to highlight best practices from DAEs so that others can learn and consider adopting those strategies. Beginning with DAEs who presented at the Integrity Forum, this opportunity is open to all DAEs that might have a best practice to share and the process of writing these articles is ongoing. If a DAE is interested in being featured in this series, please contact Communications Officer Emma Johnson at ejohnson@gcfund.org. By showcasing success stories, the IIU seeks to create a dynamic environment that encourages the exchange of lessons learned.

3. Webinars and Workshops

- To address evolving integrity challenges and share effective solutions, the IIU will organize regular webinars and workshops. These sessions will delve into specific integrity topics, providing a platform for in-depth discussions, knowledge sharing, and the exploration of practical strategies to overcome integrity-related obstacles.



4. Toolboxes and Knowledge Products

- Responding to the expressed interest and need for practical tools and knowledge products, the IIU will develop a comprehensive set of products for DAE staff. These will encompass integrity metrics, tools, and knowledge products that DAEs can readily utilize to mitigate and address prohibited practices within their organisations.

5. Peer-to-Peer Learning Alliance

- Continuing the current Peer-to-Peer Learning Alliance and establishing a new cohort, allowing DAEs to engage in collaborative learning experiences. This initiative aims to create a community-driven space for shared insights, peer support, and the collective exploration of integrity measures. The alliance will strengthen the network among DAEs, fostering a culture of continuous learning and mutual empowerment.

6. 2024 Integrity Forum

- Building on the outcomes of the 2nd Integrity Forum, IIU envisions hosting a third edition that showcases the progress made by DAEs in implementing integrity measures. This platform will provide an opportunity to celebrate achievements, share success stories, and identify areas for further enhancement. The forum will serve as a testament to the collective commitment to advancing integrity within the climate action community.

The way forward outlined by the IIU reflects a commitment to sustained engagement, capacity building, and collaborative learning. By implementing these measures, the IIU aims to contribute to the continuous improvement of integrity practices, fostering a community of organisations dedicated to the highest standards of ethical conduct in climate action initiatives.