

## ANNEX 1 – TERMS OF REFERENCE

### Roster of Subject Expert Firms for Proactive Integrity Reviews (PIRs)

#### I. Background

1. The Green Climate Fund (“GCF” or “the Fund”) is a multilateral fund created to make a significant and ambitious contribution to the global efforts to combat climate change. The Fund promotes low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.
2. The Independent Integrity Unit (“IIU” or “the Unit”) is one of the accountability mechanisms<sup>1</sup> of GCF. The IIU ensures that all GCF staff, external stakeholders, implementing entities, and intermediaries relating to GCF adhere to the highest standards of integrity to safeguard the lawful and efficient utilisation of GCF resources.
3. The IIU takes a proactive approach to deter occurrences of fraud, corruption, and other Prohibited Practices in GCF-funded activities by establishing integrity policies, proactively assessing and mitigating integrity risks, and recommending further improvements to existing GCF procedures. As an initial point of contact, the IIU investigates allegations of Wrongdoing, including Misconduct and Prohibited Practices, in line with international best practices and close cooperation with relevant counterpart offices. As a body independent from the GCF Secretariat, the IIU reports directly to the GCF Board or through the Ethics and Audit Committee of the Board. More information about the IIU is available at <https://iiu.greenclimate.fund/>.
4. The IIU employs a multi-pronged approach to promote integrity standards across GCF operations. The Unit undertakes several proactive prevention functions, including instituting robust measures to prevent the occurrence of integrity violations, such as by conducting **Proactive Integrity Reviews (PIRs)** in areas of increased risk and by sharing lessons learned from these reviews in order to improve the effectiveness and efficiency of Fund operations and activities.
5. This Request for Proposal (RFP) package responds to the requirement of conducting PIRs in line with the proactive prevention mandate of the IIU and intends to increase the capacity and expertise of the Unit in the development and operationalisation of its PIRs.

#### II. Objectives and Scope of Services

6. The IIU seeks to establish a **roster of at least five (5)** Subject Expert Firms (the “Firms”) to support the Unit in the discharge of its functions, including conducting PIRs designed to assess compliance with applicable GCF integrity policies and financing agreements with a focus on preventing integrity violations involving GCF-funded activities as defined under the GCF’s Policy on Prohibited Practices.<sup>2</sup>

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<sup>1</sup> GCF has established mechanisms to ensure accountability, manage risk, and evaluate the performance of its activities in order to ensure the application of safeguards as well as internationally accepted standards. More information available at <https://www.greenclimate.fund/about/accountability>.

<sup>2</sup> Available at <https://www.greenclimate.fund/sites/default/files/document/policy-prohibited-practices.pdf>.



7. The Firms will be remotely based and selected from the roster and retained when the IIU determines it needs specific subject expertise concerning the conduct of PIRs. The selected Firms shall provide qualified professionals who will report to and work together with the Head of the IIU or other designated staff and shall be responsible for rendering audit services and providing expert advice on project integrity reviews conducted by the IIU. Placement on the roster does not guarantee assignment or any other related engagement with the IIU or the GCF.
8. The Firms shall have demonstrated expertise in the following areas:
  - (a) Procurement;
  - (b) Audit and Accounting;
  - (c) Asset Verification/Inspection;
  - (d) Fraud Detection;
  - (e) Contract Administration/Project Management;
  - (f) Financial Mismanagement;
  - (g) Internal Control; and
  - (h) Integrity Due Diligence (Anti-Money Laundering/Countering Financing of Terrorism).

### **III. Duties and Responsibilities**

9. The selected Firms shall undertake activities related to the conduct of PIRs, including:
  - (a) Reviewing data, project, or background documentation and performing audit activities related to IIU review cases, as necessary;
  - (b) Supporting the IIU in conducting interviews and asset inspection on-site as may be required;
  - (c) Providing timely assessment and subject matter review on specific issues as may be assigned and based on specific terms of reference and assessment guidelines provided by the IIU;
  - (d) Applying international best practices in the specific subject of expertise;
  - (e) Reviewing and/or providing inputs to eligibility determinations, compliance appraisal reports, compliance investigations, problem-solving processes, recommendations, remedial action plans, monitoring reports, capacity-building efforts, advisory service or outreach, and public awareness initiatives that may result from the IIU's work;
  - (f) Providing reports as directed and requested by the IIU to ensure proper documentation;
  - (g) Supporting the preparation and drafting of formal IIU reports; and
  - (h) Performing additional tasks as may be assigned or delegated by the Head of the IIU related to the assignment.



## IV. Methodology and Performance of Tasks

10. When the need arises, the designation of a specific PIR shall be processed by direct assignment through a specific Work Order (“WO”) issued by the IIU through GCF Procurement to the selected Firm. However, to re-emphasise, placement on the roster does not guarantee assignment or other related engagement with the IIU or the GCF.

11. The IIU shall decide which Firm to assign the respective WO, taking into consideration the specific areas of specialisation of the Firms, the exact nature of the PIR assignment, the amount of workload to be assigned, the geographical scope of the Firms, and the ability to deliver timely and high-quality reviews conducted by the Firm. It is the sole discretion of IIU which Firm it will assign the WO to.

### IV.1. Performance of Assignment and Deliverables

12. Upon issuance and receipt of a WO, the selected Firm shall, in coordination with the designated IIU team, perform the following:

- (a) Schedule an inception meeting between the designated IIU team and the Firm to define the main elements of the PIR assignment and the WO;
- (b) Conduct an initial technical review of related GCF project data to assess compliance with GCF integrity standards, identify potential gaps and risks, and prepare a preliminary report;
- (c) Where applicable, execute tasks related to the conduct of PIRs, including but not limited to performing audit activities, arranging and conducting interviews, implementing on-site asset inspections, and providing timely assessment and subject matter review on specific issues identified in the course of the PIRs;
- (d) Prepare a draft of the Assessment Findings Report in the format and style required by GCF and undertake revisions to the draft report as necessary;
- (e) Prepare slide presentations and visualisation of data to summarise and report on key findings; and
- (f) Participate in internal meetings with the IIU team as required.

13. Considering the tasks listed above, the Firms shall produce the following deliverables/outputs for each assignment and within the established timelines:

- (a) Acceptable draft of the Preliminary Report;
- (b) Acceptable draft of the Assessment Findings Report; and
- (c) Summary of key findings in the form of slide decks or data visuals.

### VI.2. Timeline of Deliverables

14. The selected Firms shall be expected to deliver on respective assignments within the timeline agreed and established in the WO. The specific timeline for deliverables shall be determined in the WO of each assignment. The Firms are likewise expected to accommodate specific reasonable requests from the IIU if contingent needs require an expeditious action or response.

## **V. Qualifications – Key Personnel and Structure**

### **V.1. Qualifications of the Firm**

15. The Firm shall have the following minimum qualifications:
- (a) At least ten (10) years of relevant experience in the areas listed in para. 8;
  - (b) Proven track record in working with international public, private, and multilateral organisations;
  - (c) Demonstrated availability of key individuals with applicable skills to provide the requested services (the Firm will be requested to provide CVs of key staff members who shall be involved in the assignment with the qualifications described in section V.2 below);
  - (d) Must have quality assurance systems in place and be ISO-certified;
  - (e) Demonstrated global and regional presence and capabilities; and
  - (f) Must have adequate insurance policies for its workforce.

### **V.2. Qualifications of the Team**

16. The team designated to undertake the assignment shall have the following minimum qualifications:
- (a) Advanced university degree in the field of specialisation (with relevant areas of specialisation as indicated in para. 8);
  - (b) A minimum of seven (7) years of relevant professional experience in the areas related to the field of specialisation and in roles such as a consultant, researcher, or full-time employee of an organisation;
  - (c) Experience in working with international organisations on integrity project audit/review is an advantage;
  - (d) Ability to use independent and sound judgment and to manage and impart confidential information;
  - (e) Strong objective, critical, and analytical skills, and the ability to analyse, evaluate, summarise, and effectively present data;
  - (f) Demonstrated capacity to provide concise, to-the-point, and thorough reports of assessments, recommendations, and reviews;
  - (g) Capacity to work effectively with a range of stakeholders, including in the private sector, governments, and NGOs;
  - (h) Ability to work independently and under pressure with a high level of accuracy and attention to detail;
  - (i) Highly developed cultural and gender sensitivity in communicating with all levels of staff, stakeholders, and external clients, both orally and in writing; and
  - (j) Language proficiency in English and a local language is essential.



17. If needed, the Firm shall recruit ad-hoc specialists in specific niches of expertise that may be needed to assess specific parts of a GCF project or a specific element of PIRs.

18. The Team Leader, on behalf of the Firm's designated team, shall report to and work directly with the Head of the IIU or to a designated IIU staff concerning the conduct of the PIRs.

## **VI. Other Prerequisites**

19. Applicants must not currently be working with the GCF Secretariat, or GCF Accredited Entities in any related role or form part of any GCF Secretariat roster within the last 24 months.

20. Once the candidates are selected for the assignment(s), the Firms will be subject to a conflict of interest check particular to the applicants' team members and engagement(s) with GCF and any other relevant GCF entity/project. Relevant GCF policies and guidelines thereto shall bind selected Firms.

### **VI.1. Confidentiality**

21. All details of future assignments, relevant GCF project data, and information from GCF implementing partners must be kept entirely confidential.

22. The selected Firms shall be required to sign a Non-Disclosure Agreement with GCF in order to strictly maintain the confidentiality of all documents and information provided by the IIU whilst performing the Services.

### **VI.2. Duration of Consultant's Assignment**

23. Placement on the roster as a result of this RFP does not constitute an assignment or any other related engagement with the IIU or the GCF. The agreed duration and specific terms and conditions of an assignment shall be specified in the future Work Order(s).