



I. Introduction

1. This Administrative Instruction on Corporate Procurement (hereinafter referred to as the "**Administrative Instruction**") has been adopted by the Executive Director to set forth the fundamental principles that GCF shall apply for the procurement of corporate Goods and Services.
2. All procurement decisions will be governed by the objectives and guiding principles of GCF in combating climate change as set out in the Governing Instrument.
3. This Administrative Instruction shall be implemented in conjunction with other applicable administrative instructions, manuals, procedures and guidance.

II. Definitions

4. For this Administrative Instruction, the following definitions apply:
 - (a) **Bidder:** Any vendor or Consultant, including Individual Consultants, that submits a quotation, proposal or bid in response to a solicitation request to provide Goods or Services.
 - (b) **Consultant:** Any juridical entity (consulting firm) or natural person (Individual Consultant, IC) providing Consultancy Services to GCF. Consulting firms may associate with each other in the form of a consortium or of a sub-consultancy agreement.
 - (c) **Consultancy Services:** Services of a professional nature provided by Consultants using their skills to study, design, organize, manage and perform Services as per requirements in the provided terms of reference.
 - (d) **Equipment:** Office machines, furniture and/or furnishings and vehicles, among others, used for the operations of GCF.
 - (e) **GCF Staff:** All persons appointed to a post in GCF under a letter of appointment (individually, a Staff member), including members of the Independent Units.
 - (f) **Goods:** Commodities, raw materials, products and Equipment and objects in solid, liquid or gaseous form, and related Services if the value of such Services does not exceed that of the Goods themselves. These include supplies and Equipment, routine and non-routine; expendable or semi-expendable supplies, vehicles, furniture, and computer hardware/software and IT- related Goods required for the operations of GCF.
 - (g) **Individual Consultant (IC):** an individual hired or engaged by GCF as a private contractor to provide Consultancy Services to GCF.
 - (h) **Long-Term Agreement (LTA):** Agreement between GCF and a limited number of vendors for the provision of specific Goods and Services at a defined unit price over a defined period of 1 to 5 years.
 - (i) **Procurement:** Buying, purchasing, renting, leasing, or otherwise acquiring any Goods or Services from commercial or non-commercial entities through a process that includes a specific description of requirements, solicitation and selection of sources, negotiation, preparation and award of contract, and all phases of contract administration and management.



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- (j) **Request for Proposal (RfP):** Formal request issued to prospective Bidders to submit an offer for the provision of Consultancy Services or any specialized Goods or Services for which the technical requirements cannot be fully defined and/or quantified at the time of solicitation and where innovation and the specific expertise of the proposer is being requested. Proposals are usually submitted with technical and financial components in separate sealed envelopes, electronic submissions or separate emails, and are also separately evaluated.
- (k) **Request for Quotation (RfQ):** Formal request issued to prospective Bidders to submit an offer for the provision of Consultancy Services or any specialized Goods or Services for which the technical requirement can be clearly and completely specified in a qualitative and quantitative manner, and the award is normally made based on lowest cost, among commercially and technically compliant bids.
- (l) **Responsive Vendors:** suppliers that are directly invited to participate in any given solicitation, as a result of market research, past experience with GCF or other supporting elements, and deemed likely to meet the requirements of the solicitation.
- (m) **Services:** Services, other than Consultancy Services, rendered to GCF by a juridical entity or natural person. These include Services such as catering, insurance, installation, commissioning, surveys, training, and maintenance and similar Services.
- (n) **Service Contract:** A written contract that defines the obligation of a vendor to provide a defined range of Services to GCF.
- (o) **Service-Level Agreement (SLA):** Part of a Service Contract defining the level of service and performance indicators required to measure the quality of the Service Contractors.
- (p) **Vendor:** Any juridical entity or natural person that supplies Goods or performs Services pursuant to a contract with GCF.

III. Application

- 5. This Administrative Instruction applies to all procurement conducted by GCF regardless of the source of funding. It shall be observed by all Offices, Departments and Units¹. Procurement within GCF is largely centralized and administered by the Procurement Unit in the Department of Corporate Services.

IV. GCF Procurement Principles

- 6. The guiding principles of procurement are:
 - Efficiency and effectiveness;
 - Best value for money;
 - Fairness, integrity and transparency;
 - Accountability;
 - Sustainability; and
 - Best interest of GCF.

¹ Includes Independent Units.



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7. All GCF procurement activities shall be undertaken in accordance with these guiding principles. The GCF Staff responsible for the management of procurement and contracting processes are the guardians of these principles.
8. All GCF Staff participating in any aspect of the procurement and/or contracting process shall adhere to the highest ethical standards at all times and shall strictly abide by this Administrative Instruction, the GCF Code of Conduct and all other obligations stipulated in the GCF legal framework. GCF Staff shall be ultimately responsible for procurement decisions and Consultants/interns shall not be authorized to do so.

4.1 Efficiency and effectiveness

9. Procurement activities must be carried out in an efficient manner to ensure effective use of GCF resources and the timely delivery of Goods and Services that are fit for purpose.

4.2 Best value for money

10. Best value for money entails selecting offers which present the optimum combination of factors such as appropriate quality, timely delivery, life-cycle costs, sustainability or other strategic objectives. Best value for money does not necessarily mean the lowest initial price option but rather represents the best return on investment, taking into consideration the evaluation criteria and quality requirements as specified in the solicitation documents.

4.3 Fairness, integrity and transparency

11. GCF shall ensure equal opportunities to all vendors, fair processes free from conflict of interests or preference. GCF shall also adhere to the highest standards of integrity and ethics and take appropriate measures to prevent and combat Prohibited Practices, as defined in the GCF Policy on Prohibited Practices. In addition, GCF shall preserve transparency of its procurement processes and protect their integrity.

4.4 Accountability

12. Accountability in the procurement process ensures that GCF Staff involved in the various stages of the process assume the responsibilities assigned to them and are answerable for their actions and decisions, including failure to act. They are expected to take prompt action to resolve or correct any issues, errors or omissions, be mindful of consequences of actions and decisions before taking them and remain vigilant to any fraud, waste, and abuse that may occur within the Fund and address such situations appropriately.

4.5 Sustainability

13. GCF shall maximize its efforts in ensuring it conducts socially and environmentally sustainable procurement for all its Services and Goods regardless of the source of fundings:
 - (a) GCF shall endeavour to integrate socially responsible vendors in its supply chain. GCF will use requirements and evaluation criteria aimed at promoting human rights, eliminating child labor, guaranteeing fair labor conditions, gender equality,



and supporting wider ethical issues, such as employment policies on diversity, wages and benefits, health and safety, accessibility, and equitable work practices.

- (b) GCF is committed to reduce the negative environmental impact a product or service has over its whole life cycle, through reducing greenhouse gas emissions, preserving natural ecosystems, waste reduction and management, and tackling air and water pollution. GCF shall ensure that the acquisitions of Services and Goods will be based on specifications that promote the expanded use of environmentally friendly vendors, services and products that are aligned with GCF mandate.

4.6 Best Interest of GCF

14. The ultimate objective of procurement and contracting is to add value to the Fund, to support the delivery of its mandate and operations, and to ensure that its beneficiaries receive the required Goods and Services in a timely and adequate manner. Furthermore avoiding adverse impact on the status, privileges and immunities, independence, impartiality, credibility and reputation of GCF shall be paramount for all stakeholders in any procurement process.

V. Delegation of Authority

15. The Executive Director has overall responsibility for the procurement function at GCF and delegates their authority as follows:
 - (a) Purchase Request approval – to the head of the requesting Office, Department or Unit (or their delegate), certifying that the requested Goods or Services are required to achieve respective objectives and outputs, and comply with the appropriate budget allotments.
 - (b) Solicitation Procedure and Procurement Method approval – to the head of Procurement² with a view to ensure compliance of procurement procedures at all stages of the procurement process.
 - (c) Contract Award approval – subject to the awarded contract value as indicated in Table 1 below.

² Head of Procurement designates the function and not necessarily the job title.



Table 1. Contract Award Approving Authority

Total Aggregate Contract Value	First Level Approver	Second Level Approver	Final Approver
Simple Shopping < \$10,000	N/A	N/A	Buyer or head of Office, Department or Unit, upon delegation
Low Value Contract ≥ \$10,000 < \$100,000	N/A	N/A	Head of Procurement
Medium Value Contract ≥ \$100,000 < \$250,000	N/A	N/A	Head of Procurement
High Value Contract ≥ \$250,000 < \$500,000	Head of Procurement	N/A	Head of Corporate Services ³
Very High Value Contract ≥ \$500,000 < \$1000,000	Head of Procurement	Head of Corporate Services	Chief Operating Officer
Extremely High Value Contract ≥ \$1,000,000	Head of Procurement	Head of Corporate Services	Institutional Procurement Committee

VI. Procurement Unit

16. The Procurement Unit shall:
- (a) Lead, manage and oversee the procurement activities of GCF.
 - (b) Be the central repository for procurement-related documentation. It shall maintain a clear audit trail, including, but not limited to, a detailed record of all activities undertaken.
 - (c) Prepare the GCF Corporate Annual Procurement Plan based on the procurement requirements provided by Offices, Departments and Units⁴.
 - (d) Take timely actions for the acquisition of Goods and Services and for providing procurement guidance and advice.
 - (e) Negotiate contractual terms and conditions, receive technical input from the relevant Office, Department or Unit and, if needed, legal assistance from the Office

³ Head of Corporate Services designates the function and not necessarily the job title.

⁴ Including Independent Units and Board Committees.



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of the General Counsel, and Department of Information Technologies (IT) for IT related Goods and Services.

- (f) Conduct periodic review of suppliers authorized for payment.
- (g) Handle all complaints relating to the tendering process or contract award.

VII. Procurement Process

17. The process for the procurement of Goods and Services shall consist of the following phases:

- (a) **Procurement planning:** Each Office, Department or Unit shall prepare its annual baseline Procurement Plan, in conjunction with the preparation of the Budget. Where possible, the Procurement Plan should be prepared for a multi-annual period. The Procurement Unit shall consolidate all Procurement Plans into the Corporate Procurement Plan. Independent Units shall have their respective Procurement Plans prepared separately.
- (b) **Drafting of requirements:** The requesting Office, Department or Unit shall prepare the necessary Technical Specifications or Terms of Reference (ToR) respectively for the Goods or Services required, as well as the suggested evaluation criteria, in coordination with the Procurement Unit. All procurement related to IT Goods or Services shall be reviewed and approved by the head of Department of Information Technology or their delegate prior to the commencement of the procurement process.
- (c) **Sourcing:** The Procurement Unit shall conduct all procurement processes on behalf of GCF, except for Simple Shopping and the procurement of legal services, as indicated in 8.2 below.
- (d) **Evaluation of offers:** All offers shall be evaluated equally against pre-determined criteria. The requesting Office, Department or Unit shall conduct the evaluation of technical elements of received offers while the Procurement Unit shall be responsible for the overall evaluation phase.
- (e) **Contract award:** All contract awards shall be approved in line with Table 1 above, subject to budget availability. No GCF Staff shall request any Vendor to deliver any Goods or Services, in full or in part, until the Procurement Unit has communicated the contract award, together with its terms and conditions, to the Vendor in writing.
- (f) **Contract management:** Each contract shall have an assigned Contract Owner from within the requesting Office, Department or Unit, and a Contract Administrator from within the Procurement Unit. Both functions shall be involved in the contract performance evaluation.
- (g) **Contract performance evaluation:** The evaluation of the Contractor's performance shall be carried out on an annual basis for LTAs and at the end of contract for other contracts.



VIII. Procurement Procedures and Methods

8.1 Competitive sourcing

18. In principle, the primary and default method that applies to GCF procurement shall be competitive sourcing, either limited competitive procurement or full competitive procurement. Each of these may be conducted through a Request for Quotation (RfQ) or a Request for Proposal (RfP), as described in Table 2 below.

Table 2. Competitive Sourcing Procedures

Sourcing Procedure	Total Aggregate Contract Value	Minimum Proposal/Quotation Submission Period⁵	Minimum Requirements
Simplified Competitive Procurement	Medium Value Contract ≥ \$100,000 <\$250,000 ⁶	Minimum five (5) working days	- Publication of procurement notice is highly recommended. - Solicitation of at least three (3) Responsive Vendors is required. ⁷
Full Competitive Procurement	High Value Contract ≥ \$250,000	Minimum fifteen (15) working days. In exceptional cases, a shorter submission period may be considered subject to written approval of the head of Procurement.	- Publication of procurement notice is mandatory. - Solicitation of at least five (5) Responsive Vendors is required.

19. Splitting contracts, the practice of artificially breaking up purchases to bring total contract value below threshold and avoid applying the designated procurement method, is strictly prohibited.
20. Table 2 is applicable to all procurement requests unless:
- (a) an LTA is in place for the requested Goods or Services; or
 - (b) the conditions for direct contracting are met as described in 8.2 below.

⁵ In exceptional cases, a shorter submission period may be considered subject to written approval of the head of Procurement.

⁶ In exceptional cases, contracts with a total aggregate value of up to USD 500,000 may be subject to Simplified Competitive Procurement, provided the Requesting Office, Department or Unit takes accountability for the decision to select the procurement procedure.

⁷ The Procurement Unit reserves the right to conduct further market comparison to assess the request.



8.2 Direct contracting

21. GCF may resort to direct contracting, a non-competitive sourcing method, in the cases listed below:
- (a) Simple shopping (contract value < \$ 10,000). Head of Procurement may delegate Simple Shopping procurement action to the requesting Office, Department or Unit which will be responsible for conducting the procurement in line with this AI;
 - (b) Low value contracts (contract value \$10,000 < \$100,000). Price benchmarking shall be documented to confirm value for money was achieved;
 - (c) Existing Intellectual Property Rights;
 - (d) Certain Goods or Services that may not be procured through standard procurement procedures due to their nature or sources of supply, such as certain IT Goods or Services;
 - (e) Equipment and spare parts required for expansion or repair of existing Equipment that must be procured from the original Vendor, or from a Vendor of identical Goods or Services, with a view to "standardisation";
 - (f) Cooperation with other International Organizations;
 - (g) When the procurement of Goods or Services was completed unsuccessfully, and a new competitive process is unlikely to result in a satisfactory outcome;
 - (h) Highly urgent and unforeseeable occurrence that does not stem from a lack of planning by the requesting Office, Department or Unit⁸;
 - (i) For reasons of confidentiality where circulation of the ToR could adversely affect GCF if details of the procurement were made public, including but not limited to Legal Services in specific cases and specialised services that are investigative and confidential in nature for the Independent Units;
 - (j) Force majeure where lives of GCF Staff and property are in danger, therefore requiring rapid deployment of life supporting Goods or Services;
 - (k) Banking services; and
 - (l) As otherwise deemed to be in the best of GCF by the Executive Director.

IX. Contract conditions and amendments

22. All contracts shall be issued based on the GCF contract templates drafted by the Procurement Unit and approved by the General Counsel.
23. A contract may be amended:
- (a) Due to changes in GCF operating requirements;
 - (b) To reflect extensions in the contract period, with due consideration to satisfactory performance;
 - (c) Where GCF requires additional Goods or Services that have already been procured through competitive method, provided the cost of the additional contract does not exceed the total value of the initial contract; or

⁸ The requesting Office, Department or Unit takes accountability for the decision to select the procurement method.



- (d) For other lawful reasons to which GCF and the Contractor consent.
24. A contract may not be amended:
- (a) If any change to the contract would increase its initial value for more than 100%; or
 - (b) If any change to the contract would substantially alter its initial scope or object.
- In such cases, a new procurement process should be initiated.

X. Resolution of disputes pertaining to the procurement process

25. Any Bidder or contractor may file a complaint in connection with the sourcing process or the award of a contract by GCF. The complaint must be submitted to the head of Corporate Services within five (5) working days from the receipt of the regret letter informing the Bidder they were not successful.
26. GCF shall respond to the complaint confirming receipt and, after completing the internal assessment, shall respond to the bidder with a response to the complaint. Any such GCF response shall be considered final and not subject to an appeal.

XI. Administrative Provisions

27. This Administrative Instruction comes into effect on the date set out on the cover page and replaces in its entirety the Administrative Instruction on the Corporate Procurement Guidelines (AI/DSS/PROC/2020/02), except for procurement processes which have already been initiated.
28. In the event of any inconsistency between this Administrative Instruction and the procurement-related provisions contained in other administrative instructions, this Administrative Instruction shall prevail.



APPENDIX I

Ethics and Anti-corruption

I. Prohibited Practices in Procurement

1. Prohibited Practices are defined in the GCF Policy on Prohibited Practices.
2. All parties involved in GCF procurement activities shall be required to maintain the highest standard of integrity and ethics throughout the process of selection and contracting, as well as throughout the execution of the contract and final performance evaluation.
3. Bidders, Vendors and Consultants must comply with the GCF integrity policies. Bidding documents must include an undertaking that Bidders will abide with the relevant GCF policies and national laws against Prohibited Practices, including money laundering and terrorism financing (AML-CFT) among others. GCF may suspend the procurement process or terminate the contract at any stage when there is sufficient evidence to support a finding that the Bidder, Vendor or Consultant, or any of their employees, agents or representatives, has engaged in any integrity violation in competing for, or in executing a contract.
4. GCF shall reject a quotation or proposal for an award if it determines that:
 - (a) the Bidder recommended for the award is included in the Consolidated United Nations Security Council Sanctions List; or
 - (b) a Bidder has directly or indirectly through an agent, engaged in any Prohibited Practices under GCF policies.
5. If, at any time, GCF determines that a Bidder or Vendor has, directly or indirectly through an agent, engaged in any Prohibited Practice, GCF may at any time exclude such Bidder, Vendor, Consultant, or any of their successors, from participation in GCF procurement activities (including declaring them ineligible, either indefinitely or for a defined period of time).

II. Gifts, Benefits, Honours and Awards

6. Neither GCF Personnel, nor members of their immediate family shall accept benefits, favours or gifts from sources external to the Fund with respect to any Fund transaction, whether by way of compensation, commission, favourable buying or selling arrangements, gift, employment or otherwise. GCF personnel or their immediate family members who find themselves in circumstances which make it difficult to refuse any such benefit, favour or gift must consult the head of Corporate Services. A Gift received on behalf of the organisation by a Staff member in circumstances which make it difficult to refuse any such benefit, must be declared and handed over to the head of Corporate Services who will determine what to do with such gift.
7. Procurement contracts shall include an undertaking by the Vendors or Consultants that no fees, gratuities, rebates, gifts, commissions or other payments, other than those specifically indicated in the quotation or proposal, have been given, solicited, received or promised in connection with the procurement process or the contract execution.



III. Conflict of Interest

8. Bidders shall be required to include in their quotations or proposals a disclosure statement of any actual, perceived or potential conflict of interest that they may have in the procurement in which they are participating. Cases of actual, perceived or potential conflict of interest will be addressed in accordance with the relevant GCF procedures and guidelines.
9. GCF Staff shall immediately declare in writings any actual, perceived or potential conflict of interest in connection with a proposed procurement process and/or delivery of Goods or Services of which they are aware.
10. GCF Staff who are in a situation of actual, perceived or potential conflict of interest may not exercise, directly or indirectly, any responsibility in relation to the procurement in the context of which the conflict arises, including the preparation of procurement documents or contract specifications, and/or the evaluation process for such procurement exercise, and/or in relation to the execution or supervision of such procurement contract unless the conflict situation has been mitigated in a manner acceptable to GCF.
11. Unless prior written approval has been provided by the ED, GCF Staff shall not be engaged directly as (i) Vendors, (ii) Individual Consultants, (iii) agents of Vendors that may present or be perceived to present a conflict of interest, or (iv) assigned to handle any GCF account for one year after the termination of their appointment with GCF (except where such engagement is with an international organization, government or government agency).
12. Consultants or Vendors shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of GCF.

IV. Procurement Ethics

13. GCF Staff will be expected to maintain the highest ethical standards, with a high degree of integrity and concern for the Fund's interests and to avoid situations and activities that may reflect adversely on the Fund, compromise its operations, or lead to real or perceived conflicts of interest.
14. GCF will ensure that evaluation and treatment of the Vendors, Contractors and Consultants are carried out in a fair manner and free from any discrimination on identity, origin, status or condition.



APPENDIX II

Institutional Procurement Committee (IPC)

I. Terms of Reference

1. In accordance with the Administrative Instruction on Corporate Procurement an Institutional Procurement Committee (IPC) is established to examine and approve, defer or reject:
 - (a) All proposed contract awards for the procurement of Goods or Services to a single entity with an estimated contract value of USD1,000,000 and above or any other contracts recommended for award assessed by the head of Corporate Services;
 - (b) Proposals for amendments or extensions of contracts previously approved by the Committee. However, review by the Committee shall not be required for proposed amendments to contracts which would result in an increase of less than 20% of the original contract value.
2. In view of its decision whether to approve the contract, the Committee shall assess if:
 - (a) The contract is in line with the objectives of the Fund; and
 - (b) The AI and Procedures were adhered to.
3. In addition, the IPC may approve or reject pre or post qualification of certain Bidders if requested by the Chair of the IPC.

II. Composition and Attendance

4. The members of the IPC shall be:
 - (a) Head of Corporate Services, Chair, Voting Member;
 - (b) Director of Financial Control, Voting Member;
 - (c) Head of Risk Management and Compliance, Voting Member;
 - (d) Chief of Staff, Voting Member
 - (e) Head of Office of the CIO, Voting Member
 - (f) Director of Partnerships and Resource Mobilization, Voting Member
 - (g) Director of Information Technology, Voting Member
 - (h) Associate General Counsel (institutional), Voting Member
 - (i) Head of Procurement, Secretary, Observer
5. A Head of Office, Department or Unit shall be invited to attend an IPC meeting and present their case to the IPC when a contract award under consider pertains to their Office, Department or Unit.
6. The presence of four (4) Voting Members shall constitute quorum.



III. Decision making

7. The IPC shall ordinarily decide by consensus.
8. If however no consensus is reached, the Committee may decide by a majority vote of the members attending the meeting. In the event the votes are evenly divided, the Chair shall cast the deciding vote.
9. On extraordinary basis, upon the initiative of the Chair and subject to approval of IPC members, a proposal may be circulated for a decision to be made in writing.
10. IPC Members shall not take part in the decision-making process when a contract award under consideration pertains to their Office, Department or Unit, or if they otherwise have any actual or potential conflict of interest.
11. The Chair shall call an IPC meeting when deemed necessary.
12. The meetings of the Committee shall be closed. The Secretary shall prepare minutes of each meeting containing the Committee's decisions. Copies of the approved minutes shall be distributed to the members who participated in the meeting.