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**8 December 2016**

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# Draft 2017 Workplan and Budget for the Independent Integrity Unit

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## **Summary**

This document contains a draft workplan and budget for the Independent Integrity Unit for Budget Year 2017. The workplan outlines the areas of work for the Unit in 2017, taking into account initial start-up requirements. The budget reflects an estimate of the cost implications of implementing the workplan.

The workplan sets out the proposed organisation and structure of IIU, and its anticipated activities during the course of the budget year 2017. It establishes a minimum staff requirement for efficient functioning and projects a sequenced growth in staff numbers over the next two years.

The workplan prioritises the development of policy documents on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), Anti-Corruption Policy, investigation procedure documents, Staff Bill of Rights and Integrity Due Diligence policy for private sector financing.

The workplan also anticipates activities in collaboration with the Secretariat related to the promotion of integrity standards.

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## I. Introduction

### 1.1 Overview of the Independent Integrity Unit (IIU)

1. The Independent Integrity Unit is a key function of the overall accountability mechanism of the Green Climate Fund. It is the Unit that has responsibility for safeguarding the lawful and efficient utilization of Fund resources and the proper conduct of staff members within the norms of the international civil service by investigating allegations of fraud and corruption and other prohibited practices (coercive and collusive practices, abuse, conflict of interest and retaliation against whistle-blowers) in line with best international practices.

2. The mandate of IIU is stated in Article 68 of the Governing Instrument of the Green Climate Fund: *"The Board will establish an independent integrity unit... to investigate allegations of fraud and corruption in coordination with relevant counterpart authorities."* Through the implementation of its mandate IIU will apply both proactive and reactive controls to prevent and detect the commission of acts of abuse and misuse of Fund resources as well as staff conduct that may cause reputational damage to the GCF.

3. IIU acts with operational independence, reporting to the Board of GCF, but is within the administrative oversight of the Secretariat of the Fund. The workplan and budget of the Unit is developed in collaboration with Secretariat, and is subject to review and approval by the Board.

4. As at the time of the preparation of the current 2017 budget, the Head of IIU has been in post for five weeks and the Unit has not yet recruited any staff members. Functionally, IIU is only now being constituted and set up, a process that should continue over the course of the current budget year. This budget estimate is therefore without any historical information or comparison.

## II. Proposed Structure of IIU

### 2.1 Key Function of IIU

5. Independent Integrity Unit has responsibility for safeguarding the lawful and efficient utilization of Fund resources and the proper conduct of staff members within the norms of the international civil service.

6. IIU will execute this key function by employing both proactive and reactive mechanisms.

### 2.2 Organizational structure of IIU

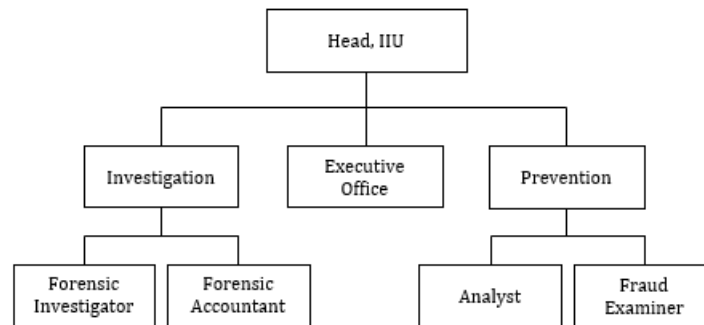
7. The Unit will be organised along the lines of its main business focus, i.e., preventative and investigation responsibilities, with an Executive Office that will be tasked with the overall administration of the Unit, including administration, HR liaison and protocols, financial management, external liaison and mission planning.

8. The Prevention section will develop policies and tools in collaboration with relevant divisions of the Secretariat to proactively diminish the potential for the occurrence of prohibited practices in the conduct of GCF staff members, and in the management of GCF resources.

9. The Investigation section will conduct the investigation of allegations of the commission of prohibited practices by staff members and other stakeholders in the management of GCF resources, both internally and externally.

10. It is further anticipated that IIU will (in collaboration with relevant stakeholders, principally OGC) initiate and propose the establishment of a Sanctions structure for GCF which will act as an independent function for determining and imposing sanctions for proven misconduct and abuse of resources by external entities. This would bring GCF in line with the current sanctions and cross-debarment regime of international financial institutions and multilateral development banks.

**Figure 1: Proposed Structure of IIU**



### III. Anticipated activities

11. The anticipated activities of IIU will be conducted within three main work streams:

#### 3.1 Prevention

12. **Institutional Resilience:** The Terms of Reference for the Head of IIU mandates the development of integrity controls to “mitigate the opportunities for integrity violations in the Fund’s activities”. In this regard IIU will in collaboration with relevant divisions of the Secretariat develop a preventative strategy which would be designed to build institutional resilience against fraud, corruption and abuse of resources. This would involve the development of policies and tools for the prevention of the occurrence of prohibited practices such as fraud, corruption, asset misappropriation and project-related abuses.

13. **Collaboration with Secretariat:** A significant amount of the prevention work will be done in collaboration with the Office of the Internal Auditor, Office of General Counsel, Office of Risk Management, Mitigation & Adaptation Division, and Private Sector Facility Division. Initial discussions with the relevant offices indicate a considerable scope to develop an integrity due diligence framework and guide, an ethics policy, and an operations fraud matrix.

14. **Policy Development:** IIU and the Office of the General Counsel have set up a Compliance Working Group which meets weekly to streamline and organise the work of drafting essential policy and legal documents, including the Anti-Corruption Policy, Anti-Money Laundering and Countering Financing of Terrorism Policy (AML-CFT), Staff Bill of Rights, Whistle-blower Policy and Sanctions Policy.

15. **Risk Assurance:** As part of its proactive fraud prevention strategy IIU will consult with the risk management function and with the operational departments to develop a risk assurance strategy for conducting proactive reviews of ongoing projects which will be focused on ensuring that projects are fully compliant with the GCF’s anti-fraud and anti-corruption guidelines.

## 3.2 Investigation

16. **Core Investigations function:** As part of its core function IIU will in accordance with its mandate conduct investigations of allegations of fraud, abuse of resources, misconduct<sup>1</sup> and other prohibited conduct. IIU investigations will be conducted in accordance with established procedures, and with due regard for the principles of fairness and due process. Substantiated investigation reports will be subject to review by a sanctions system to be established in line with the requirements of the cross-debarment regime of international financial institutions.

17. **Estimated volume of cases:** Investigative activities are estimated relative to the volume of operations and financial disbursements for projects, as well as to the number and location of staff in the organization. With the anticipated growth in staff numbers and recruitments in the budget year, and the likely increase in project approvals and disbursements, it is estimated that there will be a requirement for a relatively significant number of investigative activities during the latter half of 2017 and going into 2018.

18. **Resource requirement:** Provision is made in these budget estimates with respect to staffing requirements that would enable IIU to handle these activities; and also with respect to the requirement to establish and operationalise cooperation frameworks with equivalent investigative offices in other international financial institutions and multilateral development banks.

19. **Joint investigations:** In this respect it is noted that the TOR for the Head of IIU requires the Unit “to work with and rely as much as possible” on integrity units of the accredited agencies. IIU will therefore establish working relationships with such investigative units and seek to establish joint investigation models where possible. Contact has already been established with the integrity offices of the Inter-American Development Bank and the European Investment Bank. Further contact will be initiated with other offices and a database of all such collaborating agencies is being developed.

## 3.3 Sanctions

20. **Requirement for sanctions system:** International financial institutions and multilateral development banks (some of whom are accredited entities for the GCF) have established a common sanctions system to allow for the cross-debarment of entities that engage in prohibited practices. The sanctions system requires the creation of a two-tier regime for the review of investigation outcomes and the imposition of sanctions, and it serves as a due process safeguard. This sanctions system also enables the exchange of information and collaboration in investigations, lending itself to economies of scale.

21. **Cross-debarment regime:** The TOR for the Head of IIU mandates IIU to “propose a policy for cross-debarment with peer organizations to mutually enforce each other’s debarment actions”. In order for GCF to be admitted to this cross-debarment regime we need to establish an independent sanctions system that meets the standards of the MDBs. This requires the creation of a two-tier system consisting of an independent sanctions office and an appeals body.

22. **Sanctions Policy document:** While it is not anticipated that the sanctions structures will be operational during the course of 2017, however IIU proposes (in collaboration with OGC and HR) to commence the preparatory work for establishing these offices with a view to submitting a proposal to the Board in the coming year. This preparatory work would entail the drafting of a sanctions policy document for the approval of the Board, the drafting of an

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<sup>1</sup> IIU is currently investigating one complaint of misconduct against a former staff member.

investigations manual in line with the CII Guidelines on the conduct of investigations, the adoption of the Agreement on Mutual Debarment, and the Sanctioning Guidelines.

### 3.4 Promoting Awareness of Integrity Standards

23. **Mandate:** According to the TOR of the Head of IIU, the Unit is required to collaborate with the Secretariat and the Executive Director in “promoting awareness of the Fund’s integrity standards, including to all accredited entities and executing entities”. This is an important function that will help to safeguard the use of GCF resources, particularly in more vulnerable environments.

24. **Collaboration with Secretariat:** In order to fulfil this function IIU proposes to collaborate with relevant divisions of the Secretariat to participate actively in scheduled external activities of the Secretariat, and to create a specialised IIU forum for engagement with accredited entities, executing entities and national authorities for the propagation of GCF integrity standards in the use of GCF resources.

25. **Integration with CPD “Readiness Programme”:** It is anticipated for this purpose that IIU will collaborate with the Country Programming Division (CPD) in the execution of CPD’s readiness programme activities to create a platform for IIU to share the Fund’s integrity standards with participants.

26. **Integrity Summits:** IIU further proposes in collaboration with the integrity offices of complementary institutions and with regional stakeholders to organise periodic regional fora “*GCF Regional Summit on Transparency and Accountability in Climate Financing*” for the propagation of GCF integrity standards. These summits will be high-level regional conferences that bring together all stakeholders to achieve a consensus on transparent and accountable utilization of GCF and other climate change financing, and also to establish a platform to aggregate regional capacities for collaboration in preventing and detecting fraud and misuse of funds provided by the GCF.

27. **Aligning with budget realities:** In proposing this concept of regional integrity summits however IIU is aware of the need to balance its ambitions with budget realities and to grow its work programme in accordance with the strategic direction of the Board.

## IV. Budget Line Items

### 4.1 Staffing

28. **Expertise:** For the fulfilment of its mandate, IIU requires to have a complement of specialised staff with expertise in its core areas of operations. It is proposed that the recruitment of such staff will be sequenced over a period of two years in order to manage budget implications and also to maintain a lean and efficient structure.

29. **Immediate requirement:** In sequencing its staff growth IIU proposes both immediate and long-term staff recruitment. The following are the staffing needs for the immediate start-up period:

- (a) Investigations Specialist with expertise in IT and forensic investigations, to conduct investigations and to develop the technology support for the Unit, at a principal specialist level;
- (b) Operations Support Officer, to support the efficient running of the office, logistics, administration, finance, planning and external liaison, at a junior professional level; and

- (c) Short-term Consultant to provide support for the development of mandate and policy documents, including an anti-corruption/anti-fraud policy document, investigation manual, sanctions policy and staff rights document.
30. **Long-term:** The following are the staffing needs for the long-term when the Unit would be fully established and would have achieved a high-level of functioning:
- (a) Executive Office: Head, IIU; Administrative Assistant; Case Manager
- (b) Investigation Section: Investigations Specialist/IT Forensics Investigator; Forensic Accountant; Investigation/IT Assistant
- (c) Prevention Section: Integrity Officer; Integrity Analyst

## 4.2 Training, Conferences and Meetings

31. **Mandate:** IIU is mandated by the terms of its TOR to “establish close relationships with the equivalent unit of the accredited entities in order to avoid duplication of their respective activities, and sharing lessons learned to ensure continuous learning; and to consult and collaborate with multilateral funds, international finance institutions and other relevant parties so as to share experience and insight on how best to address integrity violations.”
32. **Conference of International Investigators:** In order to establish such close relationships with the equivalent investigative offices of the accredited entities, the immediate requirement is to register with the Conference of International Investigators (CII) which is a community of practice, and the professional body that sets standards for investigative offices in international institutions. IIU will pursue registration with CII and attend the yearly CII conference which for 2017 will be held in New York, USA under the joint sponsorship of UNOIOS, UNICEF and UNDP.
33. **Offshore Training:** Relevant training programmes in investigation management, evidence analysis, interviewing and procurement fraud investigation will be identified for IIU staff as continuing learning opportunities to reinforce relevant skills and knowledge for optimum performance. This is proposed to be funded through the Secretariat’s regular training budget.
34. **Online training:** In addition, IIU staff will be encouraged to undertake relevant remote online trainings and certifications which will be funded from the IIU “Operating Costs” budget. Such certifications include Certified Fraud Examiner (CFE) and Certified Forensic Accountant (CFA).

## 4.3 Technology

35. **Justification:** The efficient conduct of IIU business will rely to a large extent on the availability of a stable technology backbone. By its mandate IIU is obliged to attribute the highest priority to protecting the integrity, confidentiality and security of its evidence, records and communications. It is important therefore that these technology supports are installed at this start-up stage of the Unit’s existence in order to ensure the protection and secure processing of confidential records from inception, and to hedge against leakage, loss of or damage to sensitive data. In order to enable this appropriate technology environment, the following support is required:
36. **Case Management System:** A Case Management System for the receipt, analysis and processing of case-related information such as complaints, contacts, planning, reports, evidence, and analytical products.



37. **Independent Server:** An independent, stand-alone server to ensure the protection and confidentiality of evidence, data, and information; in the alternative, an access-controlled secure domain within the existing GCF network that would serve IIU exclusively.
38. **Evidence Analysis software:** An evidence analysis software such as i2 Analyst Notebook, which is a tool for data analysis and investigation, with capabilities for graphic representation of evidence and presentation.
39. **Forensic tools:** Forensic investigation tools, such as EnCase and FTK for the acquisition, analysis and imaging of digital forensic evidence.
40. **Records Management System:** An electronic document and records management system (EDRMS), HP TRIM Records Manager. This would provide a platform for the secure management, archiving, retrieval and transmission of physical and electronic information for governance and compliance.
41. **Caveat:** As a *caveat*, it should be borne in mind that when the IT Forensic Specialist Investigator is recruited he/she may specify different IT tools, though it is anticipated that any adjustments that may be made will be nominal and will not necessitate a significant deviation from the Unit's budget.

#### 4.4 Publications

42. **IIU Annual Report:** IIU has an obligation to be accountable to the Board and to present periodic reports of its activities. The IIU TOR specifies that IIU will prepare and submit an annual report to the Board, summarizing the Unit's activities. The annual report will be the principal document for conveying the report of the activities of IIU to the Board. This report will be issued once every year, towards the end of the budget year. The annual report will be required to be published in line with the standards of GCF publications.
43. **Other Publications:** In addition to the annual report, IIU will also publish and disseminate both internally and externally other documents and materials necessary for the consumption of the Board, management, staff and consultants, as well as third-party stakeholders of the Fund. These materials will provide critical information relating to the Fund's internal oversight function and will include a regular newsletter and booklet summaries of various policy documents.

### V. Budget Implementation and Monitoring Methodology

44. **Conception:** IIU will adopt an empirical methodology for monitoring the implementation of its Board-mandated work programme. The approach will be project-based and will define objective indicators of budget implementation alongside output and timelines.
45. **Logical Framework:** For this purpose, an IIU Work Programme LogFrame has been created to track IIU performance against the Board mandate and work programme. Workplan implementation will be diligently monitored by means of a Workplan Implementation Matrix which sets out specific activities, timelines and allocates responsibilities. The matrix will be updated weekly and will be available for Board oversight through a Workplan Implementation Report to be submitted bi-monthly to the Ethics and Audit Committee.





## Annex I: Budget Summary

Independent Integrity Unit Budget 2017		Budget
<b>1</b>	<b>Salaries and consultants</b>	
1.1	Full-time staff	722,791
1.2	Consultancies	200,000
	<b>Sub-total: Salaries and consultants (1)</b>	<b>922,791</b>
<b>2</b>	<b>Travel</b>	
2.1	Travel	75,000
	<b>Sub-total: Travel (2)</b>	<b>75,000</b>
<b>3</b>	<b>Professional services</b>	
3.1	Operating costs (including workshop)	20,000
	<b>Sub-total: Professional services (3)</b>	<b>20,000</b>
	<b>Grand total (1+2+3)</b>	<b>1,017,791</b>

## Annex II: IIU Table of Activities for 2017

<b>Prevention Strategy</b>			
<b>No.</b>	<b>Activity</b>	<b>Methodology</b>	<b>Timeline</b>
1	Draft/Review Anti-Corruption Strategy	In collaboration with OGC	Finalise and present for approval at B16
2	Draft/Review Anti-Money Laundering and Countering Financing of Terrorism (AML-CFT) Policy	In collaboration with OGC	Finalise and present for approval at B16
3	Draft IDD Policy for Private Sector Operations	In collaboration with PSD and OGC	Finalise and present for approval at B16
4	Draft Ethics Policy	Supporting OGC	Finalise and present for approval at B16
5	Design Operations Fraud Matrix	In collaboration with Risk Management	1 <sup>st</sup> Quarter
6	Design Proactive Project Reviews	In collaboration with M&A	2 <sup>nd</sup> Quarter
<b>Investigation Strategy</b>			
<b>No.</b>	<b>Activity</b>	<b>Methodology</b>	<b>Timeline</b>
1	Define sanctionable practices and prohibited conduct	(as contained in the Anti-Corruption Strategy)	By B.16
2	Draft Investigation Operations Manual	With support from consultant	1 <sup>st</sup> Quarter
3	Draft Staff Bill of Rights	In collaboration with OGC and HR	1 <sup>st</sup> Quarter
4	Adopt and incorporate CII Uniform Guidelines for Investigations and General Principles for External Review	Incorporate in Investigation Operations Manual	1 <sup>st</sup> Quarter
<b>Sanctions Regime</b>			
<b>No.</b>	<b>Activity</b>	<b>Methodology</b>	<b>Timeline</b>
1	Draft Sanctions Policy document	In collaboration with OGC	Finalise and present for approval at B16
2	Draft Sanctions Procedure Guidelines	In collaboration with OGC	After Board approval of Sanctions Policy

## **Annex III: Terms of reference of the Independent Integrity Unit (GCF/B.06/18 Annex IV)**

### **I. General principles**

1. Pursuant to paragraph 68 of the Governing Instrument, the Board will establish an Independent Integrity Unit (IIU), to work with the Secretariat and report to Ethics and Audit Committee and to the Board, to investigate allegations of fraud and corruption and other prohibited practices (coercive and collusive practices, abuse, conflict of interest and retaliation against whistle-blowers) in line with best international practices and in close coordination or cooperation with relevant counterpart authorities.
2. The Independent Integrity Unit will enjoy complete independence in the exercise of its responsibilities; and in order to conduct an investigation, it will have full access to all relevant Fund's documents and data, including electronic data. During the course of its work, the IIU will need to work closely with the Secretariat. The IIU will report to the Board directly or through the Ethics and Audit Committee.
3. The IIU will actively participate in relevant networks of integrity department/units to ensure that it is at the frontier of relevant practice and that it benefits from initiatives undertaken by integrity units of other international organizations.
4. The IIU will establish close relationships with the integrity units of the intermediaries and implementing entities. However, the IIU will not be precluded from conducting its own investigations.
5. All complaints and allegations against the Fund or persons associated with it that fall within the competence of the IIU, as defined in these terms of reference, will be addressed by the IIU. The IIU will maintain objectivity, impartiality and fairness throughout the investigative process and conduct its activities with the highest levels of integrity.
6. The IIU will be free from improper influence or fear of retaliation.
7. The staff of the IIU will be managed by the Head of the IIU. The staff of the IIU will be subject to the Code of Conduct of the Staff. In this regard, the staff of the IIU will disclose to the Head of the IIU, in a timely manner, any actual or potential conflict of interest they may have in an investigation in which they are participating, and the Head of the IIU will take appropriate steps to remedy the conflict. The Head of the IIU will disclose to the Executive Director and the Ethics and Audit Committee any actual or potential conflict of interest he/she may have in an investigation, and the Executive Director will take appropriate steps to remedy the conflict. Appropriate procedures will be prepared by the Secretariat, for review by the Ethics and Audit Committee and Board approval, to investigate allegations of misconduct on the part of any staff member of the IIU, and mitigate any conflict of interest.
8. Investigations conducted by the IIU will not be a judicial or quasi-judicial process, and the standard of proof that will be used by the IIU to determine whether a suspicion or allegation is substantiated, will be whether the information as a whole shows that an investigative finding is more probable than not.
9. Investigative findings will be based on facts and related analysis. The subject of an investigation will be given the opportunity to explain the reasons for the conduct and provide information supporting such explanation.
10. If the IIU does not find sufficient information during the investigation to substantiate a suspicion or allegation, it will document its findings, close the investigation, and notify the Secretariat and other parties, as appropriate.

11. Where the IIU's investigative findings indicate that a complaint was knowingly false, it will refer the matter to the Secretariat for any further action.
12. The IIU will, during an investigation, take appropriate measures to protect as confidential any non-public information associated with an investigation, and will take appropriate measures to prevent the unauthorized disclosure of investigative findings.
13. To the extent possible, interviews conducted by the IIU during an investigation will be conducted by two persons. Interviews may be conducted in the language of the person being interviewed, where appropriate, using interpreters. The Fund will not pay a witness or an informant; however, the IIU may assume the responsibility for reasonable expenses incurred by witnesses or informants to meet with the IIU.
14. The IIU may engage external parties (e.g. individuals or companies experienced in forensic investigations) to assist it in its investigations.

## II. Principal responsibilities

15. The IIU will:
  - (a) Serve as the initial point of contact for all alleged and suspected incidents of an integrity violation, as defined in these terms of reference, including fraud and corruption, involving any Fund activity, including by its staff members, corporate procurement by the Fund, and activities (including projects and programmes) using Fund resources directly or indirectly;
  - (b) Register all complaints and review them to determine whether they fall within the authority of the IIU (or require referral to another body), and determine the priority of a case with respect to other cases, taking into account the monetary value of the integrity violation, media and other sensitivity and relevance to a possible financial risk and reputational risk. Where practical, the IIU will acknowledge receipt of all complaints;
  - (c) Adopt appropriate procedures to determine whether an integrity violation has occurred; gathering sufficient related evidence, attempt to identify the integrity violators and establish the extent of the integrity violation as well as the techniques used;
  - (d) Examine and determine the veracity of alleged or suspected integrity violations against implementing entities or intermediaries, project executing entities, contractors, consultants, service providers, or other external stakeholders, or against the Fund's staff members, report its investigative findings to the Secretariat and/or an oversight body, and make recommendations, as appropriate, that are derived from its findings;
  - (e) With reference to complaints regarding any activities using Fund resources directly or indirectly or in connection with corporate procurement, provide the Secretariat or any potential Fund body established to consider remedial actions with investigative findings to decide on remedial actions, including possible sanctions;
  - (f) With reference to staff of the Fund, investigate allegations of staff misconduct, involving violations of the Code of Conduct of the Fund's Staff and other integrity violations as defined in these terms of reference, including allegations referred to the IIU by the Secretariat; cooperate and coordinate with the Executive Director and the Secretariat in the conduct of investigation; report to the Secretariat its findings for the Executive Director to decide on disciplinary actions;

- (g) With reference to the Executive Director, bring to the attention of the Co-Chairs and the Ethics and Audit Committee the findings on any investigation involving misconduct or integrity violations;
- (h) In consultation with the Executive Director and other designated officials of the Fund, recommend improvements to policies, procedures and controls to mitigate the opportunities for integrity violations in the Fund's activities, including activities implemented through implementing agencies and intermediaries, to ensure that all staff, external stakeholders and implementing entities and intermediaries adhere to the highest integrity standards; and document all investigative findings and conclusions;
- (i) Provide the Ethics and Audit Committee with the information that the Committee may reasonably request for it to fulfil its role pursuant to its terms of reference, in particular concerning the issues of Board conflict of interest, confidentiality and ethics;
- (j) Report to the Board on its activities, including summary investigative findings and any remedial action decided upon by an oversight body in the case of external stakeholders, or by an implementing entity or intermediary;
- (k) In collaboration with the Secretariat and the Executive Director, promote awareness of the Fund's integrity standards, including to all implementing entities and intermediaries, and executing entities;
- (l) Consult and collaborate with multilateral funds, international finance institutions and other relevant parties to share experience and insight on how best to address integrity violations;
- (m) Coordinate with relevant national and international counterpart authorities during investigations of alleged or suspected integrity violations, when considered appropriate and authorized by the Secretariat;
- (n) Consider and recommend for Board approval the participation in arrangements between multilateral funds and international financial institutions on integrity matters; and
- (o) Prepare and submit an annual report to the Board, summarizing its activities.

### **III. Delineation of roles and responsibilities of the Fund's IIU and those of the integrity mechanisms of implementing entities and intermediaries**

- 16. The IIU should closely cooperate with the relevant departments or units of implementing entities and intermediaries.
- 17. The relationship between the IIU and the corresponding body of implementing entities or intermediaries will be covered in agreements that will be entered into by the Fund with these implementing entities or intermediaries that will require these to cooperate with the Fund's IIU, where required.
- 18. The IIU will share best practices and give guidance that can be helpful for the Fund's readiness activities.

### **IV. Governance and management structure**

- 19. The IIU will be headed by an expert with experience and proven track record in conducting integrity investigations and leading an integrity unit. The Head of the IIU should

enjoy impeccable reputation of honesty and integrity and be widely respected and regarded for his/her competence and expertise.

20. The Board, on the recommendation of the Ethics and Audit Committee, will be responsible for:
- (a) Appointing the Head of the IIU, in an open and transparent manner to be decided by the Board;
  - (b) Establishing processes or mechanisms for taking actions based on the investigative findings and conclusions of the IIU, as appropriate;
  - (c) Receiving reports on the activities of the IIU;
  - (d) Considering and approving the annual budget of the IIU.
21. The tenure of the office of the Head of the IIU will be for three years; renewable once. In order to ensure independence of the office, the incumbent may not be removed from office during his/her term, except for malfeasance or mental incapacitation. His/her terms and conditions of appointment will be decided by the Board. The Head of the IIU shall not be eligible for any type of employment by the Fund within one year after the date of the end of his/her appointment.

## **Annex IV: Draft decision of the Board**

The Board, having considered document GCF/B.15/20 titled “Draft 2017 Workplan and Budget for the Independent Integrity Unit”:

Approves the work plan and budget of the Independent Integrity Unit (IIU) for 2017 as contained in document GCF/B.15/XX and in Annex I therein, *i.e.*, total budgeted amount of \$1,017,791.

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