

Annex VII: Work Programme and Budget of the Independent Integrity Unit for 2024

I. Introduction

1. The Independent Integrity Unit (IIU) was established by the Board of the Green Climate Fund (GCF) under the authority of Article 68 of the Governing Instrument.¹ The IIU has a detailed Terms of Reference (ToR)², mandated to investigate allegations of fraud, corruption, and other Prohibited Practices, and to engage in integrity-related oversight and awareness-raising activities.
2. The IIU cooperates closely with the GCF Secretariat and other Independent Units to ensure accountability, promote good governance and prevent abuse or misuse in the Fund's operations and resources mainly through the provision of professional investigative services, prevention and awareness programmes, integrity-related policy advice and risk detection/mitigation initiatives.
3. As a key function of the accountability mechanism of GCF, the IIU reports directly to the Board and/or through the Ethics and Audit Committee (EAC) of the Board. The Unit has operational independence from the GCF Secretariat, while reporting administratively to the Executive Director. To facilitate effective implementation of its mandate, the IIU undertakes a multi-pronged approach to promoting integrity values in GCF Funded Activities. The Unit conducts investigations, proactive prevention initiatives and awareness raising and capacity building activities. The IIU's work has been supported until August 2023 by the following workstreams: Integrity and Anti-Corruption, Prevention (consisting of two teams, Integrity & Compliance and Outreach & Engagement) and Analytics and Operations Services. A review of the workstreams with the objective to ensure effectiveness of the IIU's work is currently underway.

II. Implementation of the 2023 Work Programme and Budget

4. Below is a summary of the key activities and action items from 01 January to 18 August 2023, organised by workstream within the Unit. More detail on these activities can be found by reviewing the activity reports from the IIU submitted for B.35, B.36 and B.37.

2.1 Integrity and Anti-Corruption

2.1.2. Investigations

- Number of total cases opened (as of 18 August 2023): 20, including 11 staff misconduct cases.
5. This compares to a total number of 17 staff misconduct cases opened in 2022, 3 in 2021, 16 in 2020 and 25 in 2019.

¹ *Governing Instrument for the Green Climate Fund*. Available at <https://www.greenclimate.fund/document/governing-instrument>

² *Terms of Reference of the Independent Integrity Unit*. Available at https://iiu.greenclimate.fund/documents/1226411/1237082/Terms_of_Reference_of_the_Independent_Integrity_Unit.pdf/50c468f6-bc58-9e7f-0f5f-17834705a7fa

- Number of project or programme-related cases opened in 2023 (as of 18 August 2023): 8.

6. This compares to a total number of 13 project or programme-related cases opened in 2022, 5 in 2021 and 4 each in 2020 and 2019. It corresponds with the growing number of GCF projects and programmes being implemented and funding amounts being disbursed.

- Total number of project-related cases referred for investigation and/or pending final investigative findings from relevant Counterparties in 2023 (as of 18 August 2023): 7.

7. These cases are referred in line with the respective provisions of the Accreditation Master Agreements (AMAs), Readiness and Preparatory Support Framework Agreements and other contractual agreements and/or are currently pending final investigative findings/reports from relevant Accredited Entities (AEs), Delivery Partners (DPs) or other entities managing implicated GCF projects and programmes.

- Total number of cases closed in 2023 (as of 18 August 2023): 15 cases, including 8 related to GCF projects and programmes and 7 pertaining to staff misconduct. Out of these closed cases, the IIU substantiated 1 project-related and 2 staff misconduct cases with relevant reports submitted to the Executive Director and other relevant authorities.

8. The IIU also issued one Management Advisory and three Management Implication Reports, which are aimed to advise and make relevant recommendations for concerned divisions/offices in the GCF Secretariat on systemic risks and internal control issues identified during investigation processes. Using such tools, the IIU contributes to enhancing the Fund's risk mitigation and governance capabilities.

9. **Accreditation Master Agreement (AMA) Negotiations and Capacity-Building Support.** Starting in late 2022, the IIU's involvement in the GCF's Accreditation Master Agreement (AMA) review and negotiation process increased significantly due to developments in the Fund's integrity framework, as well as a renewed focus and emphasis by GCF stakeholders and partners on investigation-related provisions in the AMAs. During the reporting period, the IIU advised on, or negotiated in, eight AMAs. It also led the update of integrity-related clauses in the GCF's standard AMA template for Accredited Entities. Such activities have required extensive time and resources to be divested from the IIU's Integrity and Anti-Corruption workstream. The Secretariat has indicated that it foresees further such assistance to be necessary with the continued rise in the number of accreditations and re-accreditations. In addition, the IIU supported capacity-building initiatives by delivering a session on "Investigating Prohibited Practices in GCF Projects and Programmes" to Accredited Entities and Delivery Partners at the 2023 GCF Regional Dialogue with Asia and the Pacific. The IIU will continue sharing investigations-related knowledge at other scheduled events, including the GCF Integrity Forum in September 2023.

2.1.3. Prevention: Integrity & Compliance

10. **Proactive Integrity Reviews.** The IIU conducted two Proactive Integrity Reviews (PIRs) following an in-depth review of the implementation systems and procedures within on-going GCF-funded projects to identify potential capacity gaps. The IIU consulted the relevant Accredited Entities on the draft reports and reviewed the comments. These PIRs are expected to be finalised in the fourth quarter of 2023. As part of its capacity-building effort, IIU will continue to engage with the AEs featured in the reports in 2024 to ensure that the PIR recommendations are implemented.

11. **Policy Review.** A roadmap for the submission to the EAC of all outstanding GCF/IIU integrity policies and subsidiary documents has been established and submitted to the relevant Secretariat stakeholders for consideration. The roadmap identifies all integrity policies and subsidiary documents that require establishment or review, in accordance with respective past decisions by the Board. Pending discussions and agreement with the Secretariat, the aim is to have all integrity policies and subsidiary documents approved by the EAC or Board by the end of 2024. The status quo and way forward regarding the development of the Standard Operationalization Procedures (SOPs) for the Anti-Money Laundering and Countering the Financing of Terrorism Policy will be presented to the EAC in October 2023.
12. **Integrity Advisory.** IIU has continued to provide advisory support to the Secretariat and External Panel members on integrity matters, including on Conflict of Interest.
13. **Good Practice Guide.** IIU is developing a handbook on good integrity practices for AEs and other stakeholders. The objective of this handbook is to raise awareness to the importance of integrity in climate action. In the handbook are lessons learned and tips on how AEs can integrate integrity practices into climate action. The handbook is expected to be launched in the fourth quarter of 2023.
14. **Machine Learning Platform.** The machine learning and integrity risk platform continues to be developed for the identification of red flags in GCF funded projects and programmes. IIU has successfully leveraged the platform using two algorithms, one for GCF projects and one for the readiness program, to identify indicators of corrupt practices or red flags. The machine learning platform will be reviewed until the end of 2023 to select at least one readiness programme annually for the conduct of a Proactive Integrity Review.

2.1.4. **Prevention: Outreach & Engagement**

15. **Capacity-Building.** So far in 2023, IIU has held one in-person training on the GCF Integrity Framework for south and east African DAEs, one webinar on the Policy on Prohibited Practices for DAEs, and three joint webinars with GIZ and Transparency International on whistleblower protection, integrity in procurement, and conflict of interest for a general audience. This constitutes an increase of 25% in trainings so far in 2023 than in the entirety of 2022.
16. In July 2023, IIU organised an Africa Regional Capacity Building and Outreach Workshop in Kigali, Rwanda, co-hosted by the GCF Independent Redress Mechanism. This first in-person regional peer learning activity brought together representatives from 15 Direct Access Entities (DAEs) from 10 African countries including Ethiopia, Ghana, Kenya, Malawi, Namibia, Rwanda, South Africa, Tanzania, Uganda, and Zimbabwe. The DAE training session aimed to enhance the participants' capacity and integrity standards, with sessions on the GCF Integrity Policy Framework and the policies on Conflict of Interest, Whistleblower protection, and Prohibited Practices. IIU also engaged with Civil Society Organisations in a one-day workshop that included learning sessions, group discussion, and case study reviews. In view of IIU's commitment to CSO engagement, another regional workshop is planned to be organised in 2024 with the IRM. Outcomes from the sessions included providing participants with a comprehensive understanding of integrity issues within the context of climate finance and the role of various GCF policies.
17. **Awareness Raising.** IIU initiated the webinar series "Integrity Talks" to invite outside experts, practitioners and academics to share their knowledge on integrity practices with GCF Personnel and other key stakeholders. These exchanges aim at increasing visibility of IIU in the integrity field at large.
18. **Outreach and Engagements.** IIU has organised the following side events in 2023:

- (a) A panel at the OECD Global Anti-Corruption & Integrity Forum on 25 May about using machine learning for integrity in climate action; and
- (b) Participation in panel during the World Bank International Corruption Hunters Alliance conference in Abidjan, Côte d'Ivoire, in June 2023 about collective climate action and integrity.

19. **2nd GCF Integrity Forum.** Following a successful first Integrity Forum in Madrid in 2019, IIU is organizing the 2nd GCF Integrity Forum from 13 - 15 September 2023 in Bangkok, Thailand. The theme will be “Partnering for Integrity in Climate Action” and the Forum will highlight the increased need for partnerships, collective action between IIU and Direct Access Entities (DAEs) and peer-to-peer learning to promote integrity values in GCF-funded activities. The Forum will bring together DAEs from different regions and provide an opportunity for them to become familiar with GCF integrity policies and platforms for capacity building and peer learning. To ensure greater participation and to tailor the Forum to specific needs and challenges of DAEs, a series of pre-Forum consultations were organized to discuss identify capacity gaps and specific issues that participants are interested in learning about.

20. **Collaboration across GCF.** In 2023, IIU increased collaboration with the Secretariat by organizing introductory meetings with Secretariat Divisions to introduce IIU activities and identify areas of collaboration. IIU also initiated and organized trainings for iTAP members and the Accreditation Panel on the GCF policy on Conflicts of Interest. In addition, IIU, together with the other Independent Units, organised a panel session for GCF staff on how the units build capacity within DAEs.

2.1.5. Analytics & Operations

21. **Staff Capacity.** By end of August 2023, IIU has a total headcount of 14 GCF Personnel: 11 staff, 1 full-time consultant, 1 remote consultant, and 1 intern. The Unit successfully onboarded a Communication Officer in April, the Head of IIU in June, and an intern in July (under the GCF Internship Programme cohort).

22. **Budget Utilisation.** As at end of July 2023, the budget execution of the IIU remains on target with an actual utilisation rate of 48%. Greater utilisation rate is expected in the second half of the year as the IIU implements priorities mandated by its Work Programme, including implementation of Proactive Integrity Reviews (PIRs), development of e-learning modules for enhanced capacity building for Accredited Entities, organisation of capacity-building initiatives/events such as the GCF Integrity Forum, and the completion of pending procurement activities in the latter half of 2023. Given such considerations, the IIU's budget utilisation may further increase to above 95% by year-end of 2023.

III. Work Programme of the Independent Integrity Unit for 2024

23. The proposed Work Programme of the IIU for 2024 is based on the following mid-term four strategic objectives (2023 – 2027) which the IIU has elaborated on in July 2023:

- 1) The IIU has established an enabling environment for the GCF and its Accredited Entities and Delivery Partners to effectively implement GCF integrity standards, values and framework.
- 2) The IIU is recognised by internal and external partners as a leader in international climate finance integrity and as a one-stop-shop for expert integrity advice.
- 3) The IIU is a learning institution through sustained engagement and collaboration with stakeholders, leveraging on each other's capabilities to enhance integrity risk detection and mitigation measures.
- 4) The IIU is recognized by GCF personnel, Counterparties and whistleblowers as a trusted mechanism to which they are empowered to report suspected cases of integrity violations, and which undertakes professional, impartial and timely investigations while effectively supporting GCF's administration of justice and remedial measures.

24. The IIU will identify for the next year activities that will meet these objectives, based on priorities and requests by the Board and EAC, and that aim at aligning with the Secretariat's activities to meet the objectives and targets of the approved Updated Strategic Plan for the GCF 2024-2027 (USP.2).

3.1 Key Priorities for the Independent Integrity Unit in 2024

25. In view of the above IIU strategic priorities, the key priorities for each workstream in 2024 are:

3.1.1. Integrity and Anticorruption

26. Conduct professional and effective **investigations** amidst a forecasted increase in the number of suspected integrity violations both internally and externally while improving timeliness of investigative processes, enhancing monitoring of counterparty-led investigations and developing field deployment and direct investigation capabilities for Direct Access Entity (DAE) allegations.

27. Provide **AMA and other contractual advisory and negotiation services** to ensure full and proper reflection of, and legal enforceability for, GCF integrity requirements pertaining to Accredited Entities and other Counterparties.

28. Create **knowledge products about:**

- (a) **Investigative capacity building for external stakeholders**, in particular DAEs, to help them understand how to professionally investigate Prohibited Practices; and
- (b) **IIU complaints procedures for GCF personnel.**

3.1.2. Integrity Risk Advisory & Compliance

29. Draft and coordinate with the Secretariat and **submit for approval to the EAC all outstanding items relating to the GCF Integrity Policy Framework** as identified by the Board in respective past decisions.
30. Create integrity **knowledge products for internal and external** stakeholders on the GCF Integrity Policy Framework. These materials will be based on a **proposed Knowledge Management Strategy and related Knowledge Product Map that will be developed in the last quarter of 2023**. The objective is to support the implementation and application of these policies at the AE and DAE level and to raise awareness among GCF personnel, Board and panel members to stress the importance of integrity in climate action.
31. Conduct one **Proactive Integrity Review (PIR)** for ongoing GCF-funded projects to identify capacity gaps on integrity-related issues during the project implementation phase. IIU will continuously engage with the AEs on the ground to ensure that the IIU's recommendations on enhancing the integrity of the systems and procedures are implemented for successful projects.
32. Provide **advisory/ guidance on integrity related matters** to the Secretariat and external panel members.

3.1.3. Outreach & Engagement

33. Establish and steer the **IIU Knowledge Management Strategy** and related **Integrity Knowledge Product Map** and create knowledge products for internal and external stakeholders in coordination with the other workstreams. The objective is to effectively strengthen institutional capacity of GCF DAEs and Covered Individuals. IIU will develop a diverse range of knowledge products, including frequently asked questions guides on different GCF policies and policy briefs on GCF Integrity Policies.
34. Organise **IIU flagship events** to strengthen connections with its stakeholders and promote integrity standards. These include the 2024 GCF Integrity Forum, a regional workshop to build DAE and CSO capacity on the GCF Integrity Framework, the IIU Integrity Talks webinar series, online trainings on integrity topics, and engagements through the Peer-to-Peer Learning Alliance on Climate Finance Integrity. The priorities of these events are to promote and raise awareness of GCF Integrity policies among GCF stakeholders, including AEs and GCF personnel.
35. Foster **strategic partnerships** for integrity prevention with multilateral funds, international finance institutions, and other relevant parties to create strategic alliances and share best practices. The priorities of these partnerships are to ensure that IIU stays at the cutting edge of the latest integrity practices and builds stronger outreach networks for future IIU initiatives.

3.1.4. Analytics & Operations

36. Review the established **analytics capabilities** used to service the Proactive Integrity Reviews, which are described in the section on Integrity Risk Advisory & Compliance. The aim is to provide for a sound risk assessment of the GCF-funded activities.
37. Strengthen the efficiency and effectiveness of the IIU by **monitoring the accomplishment of the strategic objectives, related priorities and activities** through the work management platform, Asana, which is also used by the Secretariat.

3.2 IIU Activities by Workstream in 2024

3.2.1 Integrity and Anticorruption

38. **Conduct an increasing number of investigations.** Due to the expanding GCF project portfolio, funding distribution and staffing and operational scope, the number of reported cases, particularly those concerning complex fraud and corruption, is expected to continue rising steadily in the coming years. This will necessitate more resources to support professional investigative personnel, forensic and corporate due diligence tools, transcription/translation services and potential mission travel.

39. **Develop Investigative Internal Operating Procedures (IOPs) and Templates.** IIU will continue to expand its development of Internal Operating Procedures (IOPs) and standard forms and templates to support effective, consistent and professional investigative processes. The Unit will also finalize its Investigation Manual, which will provide guidance to investigators on the key concepts, processes and techniques to be applied in IIU investigations.

40. **Optimize the IIU Case Management System.** Since transitioning its complaint registration and case portfolio management to the Case Management System (CMS) with an integrated online reporting platform in 2022, the IIU has identified areas for improvement and was able to further optimize the CMS configuration in 2023. In 2024, it will continue to work with the CMS service provider to enhance effectiveness and reflect new operational and reporting requirements.

41. **Reinforce Digital Forensic Capability.** IIU will maintain its digital forensic tools and will explore training of investigations personnel on new or refresher topics related to the use of those tools, to support the effective collection, handling and analysis of digital evidence.

42. **Issue Management Implication Reports.** Depending on a specific investigative activity, the IIU will continue to issue Management Implication Reports (MIRs) in 2024 to advise the Secretariat of crucial internal control or systemic weaknesses identified during investigative activity in order to strengthen the Fund's overall risk management capacity.

43. **Provide AMA Advisory and Negotiation Support.** To ensure that the GCF's integrity requirements are fully reflected in all AMAs and that key provisions are included to enable the IIU to fulfil its investigative and other mandated functions, the IIU will enhance and systematize its approach to AMA advisory and negotiations through the development of relevant IIU internal operating procedures and the addition of a dedicated staff resource with legal background to assist in the function.

44. **Create Knowledge Products regarding Investigative Capacity-Building for Accredited Entities and Complaints Reporting for the Secretariat.** To support capacity-building for Accredited Entities, in particular those Direct Access Entities without adequate professional investigative capacity, IIU will conduct trainings and initiate the development of an informational guidance paper or brochure on an investigations-related topic. In addition, based on requests by the Secretariat, IIU will also conduct trainings in various formats (in-person, webinars, etc.) for the Secretariat to better understand the IIU complaints procedures.

45. **Strategic Partnership and Coordination on Investigations.** IIU will continue to foster its strategic partnerships with the investigation counterparts of external partners, including through participation in the United Nations Representatives of Investigation Services (UNRIS) and the Conference of International Investigators (CII) in 2024. IIU will also improve its coordination with the GCF's Independent Redress Mechanism (IRM) on case referrals and will provide advice and expertise, if requested by IRM, for the development of the Fund's environmental and social-safeguards compliance investigation capacity.

3.2.2. Integrity Risk Advisory & Compliance

46. GCF Integrity Policy Framework.

(a) Review the Policy on the Protection of Whistleblowers and Witnesses.

- (i) For 2024, the Independent Evaluation Unit has agreed upon the IIU's request to undertake an independent evaluation of the *Policy on the Protection of Whistleblowers and Witnesses*, in accordance with clause 73 of the Policy and subject to the approval of the Budget Committee in view of the cost implications for such review, as it would have to contract out to a consultancy firm. The subsequent report would highlight gaps and possible recommendations for improvement of the Policy document. The report would be submitted to EAC and cleared for submission to the Board. IIU will work closely with the Secretariat to ensure that the recommendations of the report are taken into consideration during the policy review process.
- (ii) Reference is also made to the *Updated Strategic Plan for the GCF 2020-2023 (USP)* that the Fund would “review its policies and frameworks, to better understand policy impacts, including resulting challenges or delays in implementation, gaps, and opportunities to simplify, streamline, and harmonise policies.” The policies that are also subject to such review are:
 - (1) Anti-Money Laundering and Countering the Financing of Terrorism Policy;
 - (2) Standards for the Implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy; and
 - (3) Policy on Prohibited Practices.
- (iii) The reviews of the first two policies in this list are planned to be conducted in 2025. The Policy on Prohibited Practices is due for review in 2024 and the IIU will coordinate with the Secretariat regarding how to conduct this review.

(b) Complete the Integrity Policy Framework.

- (i) In addition to the prescribed reviews, the IIU undertakes to finalise the following subsidiary policy documents, in collaboration with the Secretariat, and based on respective past decisions by the Board:
 - (1) Administrative Remedies & Exclusion Policy:
 - a. The Administrative Remedies and Exclusion Procedures;
 - b. The Administrative Remedies and Exclusion Guidelines for Implementation;
 - c. The Integrity Compliance Guideline; and
 - d. The Settlement Guidelines.
 - (2) Revised policy on the prevention and protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment;
 - (3) Policy on Ethics and Conflicts of Interest for Other Board Appointed Officials and Active Observers; and
 - (4) Initial Fiduciary Principles and Standards.

- (ii) The draft documents will be submitted for consultation to EAC, AEs and Observer Organisations. The consolidated version will be submitted to EAC for their clearance before submission to Board for approval.
- (iii) The establishment and submission to the EAC for all policy-related documents will be coordinated with the Secretariat according to an agreed-upon roadmap.
- (c) **Conduct Proactive Integrity Review.** In 2024, IIU will conduct one PIR, the subject of which will be selected based on an objective integrity risk-rating methodology developed by IIU using a machine learning model. The PIR will include both desktop and onsite reviews. For the planned PIR in 2024, IIU aims to conduct an in-person review for the selected project. It will also be an opportunity to interact with the project teams and to undertake capacity-building exercises that help to raise awareness on integrity issues and how to mitigate integrity risks in project implementation in accordance with the GCF integrity standards.
- (d) **Conduct Follow-up Actions on Current PIRs.** In 2024, IIU will closely monitor the AEs that are the subject of two ongoing PIRs, expected to be completed by the end of 2023. IIU will follow up regarding implementation of recommendations within the report. Capacity-building requirements of the respective Accredited Entities will also be identified, and project teams will be trained in the identification and mitigation of integrity red flags. IIU will provide its continuous support/ advice to the AEs in enhancing transparency, accountability and integrity in the project life cycle.
- (e) **Report on Red Flags, Suspicious Activities, and Suspected Money Laundering or Financing of Terrorism (ML/FT).** As provided under clause 38 of the *Standards for the Implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy*, IIU is required to provide easily accessible reporting channels for red flags, suspicious activities, and suspected ML/FT. IIU will work with Secretariat on how to best identify red flags, suspicious activities, and suspected ML/FT and how to manage them.

3.2.3. Outreach & Engagement

- 47. **Establish a Knowledge Management Strategy and related IIU Knowledge Product Map.** IIU will develop a strategy for developing knowledge products and proceed with in-house development and dissemination of the knowledge products. These resources aim to address concerns raised by GCF stakeholders concerning implementation and understanding of the GCF Integrity Policy Framework. The initiative on knowledge development and management will include a wide range of media, such as policy briefs on specific integrity topics, infographics that provide an overview of a knowledge area related to the GCF Integrity Policy Framework, operational processes and requirements related to integrity and digital stories for knowledge transfer.
- 48. **Develop an e-Learning Module.** One of the most crucial elements of the IIU's knowledge products will be an e-learning module for Accredited Entities that will include a series of self-paced learning and trainings on integrity topics. All curricula, contents and tools will be uploaded to the online learning platform of GCF. IIU will work with a contractor to develop this module in 2023, with testing and launching to take place in the first or second quarter of 2024.
- 49. **Organise and hold the 2024 GCF Integrity Forum.** The IIU will set up and hold a third annual conference for DAE integrity personnel with the purpose of strengthening integrity capacity and networking among peer institutions. The Forum will build on the relationships cultivated and knowledge gained at the 2023 Integrity Forum. The Forum will take place in the

fall of 2024, and will include developing a concept note, preparing agenda and sessions and organising all relevant logistics.

50. **Organise and conduct a Regional Capacity Building Workshop.** The IIU will continue its in-person regional capacity building work, following the successful workshop with eastern and southern Direct Access Entities in Kigali, Rwanda in July 2023. In coordination with the Independent Redress Mechanism, IIU will host another regional workshop, likely in western or northern Africa, in the second quarter of 2024 to raise awareness of the GCF Integrity Framework with local DAEs and support the network of nearby Civil Society Organisations (CSOs). This workshop will continue to strengthen the integrity network among DAEs and CSOs and increase the knowledge about GCF's Integrity Framework.

51. **Foster Peer-to-Peer Learning.** IIU will continue to collaborate and facilitate exercises to exchange knowledge and lessons learned in addressing integrity risks and issues to ensure transparency and accountability in GCF-funded activities. IIU will continue to collaborate with the Peer-to-Peer Alliance on Climate Finance Integrity and engage in joint events.

52. **Cooperation with Counterpart Integrity Offices of Accredited Entities.** IIU will continue to enhance collaboration with counterpart investigative and integrity offices of Counterparties through the negotiation of Memoranda of Understanding (MoUs) and execution of other cooperation modalities. The implementation of MoUs, operationalisation of the system of referrals on investigative matters, information sharing, and the conduct of joint or parallel investigations with external parties (as applicable) will be prioritised.

53. **Develop a Communications Strategy.** IIU will develop and launch a comprehensive communications strategy for the Unit that outlines the overall outreach and communications goals and aligns with the wider mission of the GCF. This strategy will include short- and long-term communications targets, outline necessary action steps, and set goals for achieving different projects.

54. **Communications and Awareness-Raising Initiatives.** IIU will continue regular communications activities to strengthen outreach and partnerships with its stakeholders and to raise awareness of GCF integrity standards. The Unit will actively publish regular educational content as part of its knowledge management strategy and updates on IIU activities in its communication channels. In particular, IIU will organise:

- (a) *Webinars and Brownbag Sessions.* IIU will deliver webinar trainings for AEs and DAEs on different aspects of the GCF Integrity Framework in coordination with other teams across the Secretariat. The Unit will also continue organising events specifically for GCF staff, called Ask IIU, where staff can raise questions on different integrity topics.
- (b) *IIU Integrity Talks.* IIU will continue to raise awareness of integrity issues among DAEs and GCF staff through interviewing integrity professionals from the GCF network.
- (c) *A Commemoration of International Anti-Corruption Day (IACD).* 09 December of every year is designated as International Anti-Corruption Day. The objective is to raise awareness of the adverse impacts of corruption among different stakeholders. For 2024, IIU will organise a series of activities to promote increased awareness among GCF Personnel and partners on the importance of integrity in climate action.
- (d) *Communications Channels.* IIU will continue to develop its online presence through social media, newsletters, and its website to help disseminate information and raise the profile of the Unit. This will include regular postings on the Unit's LinkedIn and Twitter platforms, monthly newsletter updates through Mailchimp, and regular updates to the website content in coordination with new events.

3.2.4. Analytics & Operations

55. **Improve Project Management and Workstream Collaboration.** Following a phased approach, the IIU will develop and implement a work management tool that will operate across IIU workstreams to establish, monitor and measure business process cycles. By the second quarter of 2024, the Unit will map out critical IIU business processes and select up to three for configuration and automation into Asana. Pilot testing with the team is expected by the third quarter of the year.

IV. Budgetary Implications

56. In line with the identified priorities of its Work Programme, the IIU proposes a draft budget for 2024 amounting to USD 3,601,000. This represents a budgetary increase of 8% or USD 268,139 compared to the previous year.

57. Of the proposed 8% budget increment in 2024, 73% (or USD 195,691)³ is allocated for Full-Time Staff costs, 1.5% (or USD 3,948) for Travel costs, 2.8% (or USD 7,500) for Communications and Outreach costs, and 22.7% (or USD 61,000) for General Operating costs. A zero-percent growth can be observed in the following budget lines compared to the previous year: Consultants and Interns (decrease of USD 47,556 or 51.4%), Contractual Services (decrease of USD 5,000 or 5%), ICT (decrease of USD 19,542 or 16.9%), and Shared Cost Allocation to IUs (decrease of USD 1,656 or 0.5%). Specific details on each of these budget

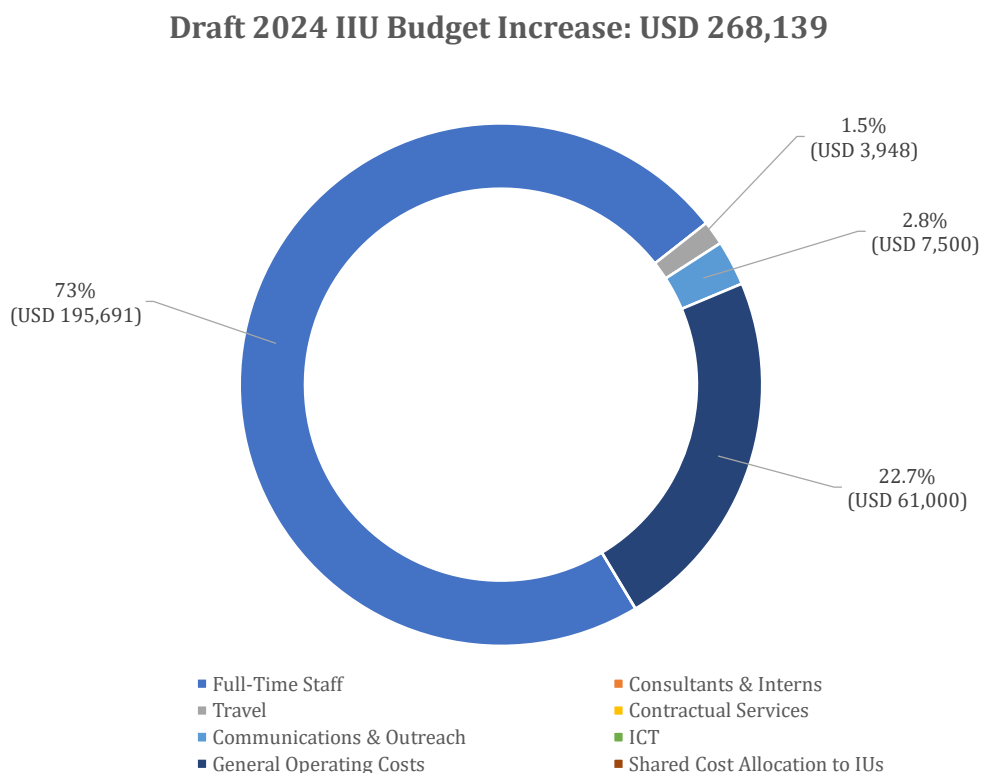


FIGURE 1. COST COMPONENTS OF THE PROPOSED 2024 IIU BUDGET INCREASE OF USD 268,139

³ The actual increase in the Full-Time Staff budget line is equivalent to USD 269,445 (see Table 1: Draft Budget of the Independent Integrity Unit for 2024 in annex III to this document). The adjusted increase in the Full-Time Staff budget line amounts to USD 195,691 considering the decreases in the following budget lines: Consultants and Interns (USD -47,556), Contractual Services (USD -5,000), ICT (USD -19,542), and Shared Cost Allocation to IUs (USD -1,656) budget lines.

components, including comparative historical data from previous years, are provided in subsequent sections.

4.1 Full-Time Staff, Consultants, and Interns

58. The draft IIU budget for 2024 accounts for a total headcount of 16 GCF Personnel, with provisions for 13 full-time Staff, one full-time equivalent intern, and two remote individual consultants. One of the 13 staff positions is expected to be onboarded by April 2024, the recruitment of which is anticipated to conclude by first quarter of 2024.

59. In view of budgetary considerations in the preceding years, the IIU had to defer recruitment of approved staff positions to allow for sufficient resources to execute on elements of its Work Programmes. However, the steady expansion of IIU initiatives year-on-year must be supplemented with the requisite staff complement to ensure effective delivery of identified priorities. In view of the budget cap for 2023, the IIU is able to deliver on its activities only because of staff cost savings. For example, the Head of IIU joined the GCF only halfway through the year but the position was fully budgeted for 2023. In 2024, IIU will not have the same flexibility of taking advantage of any staff cost savings as all 13 staff positions will be filled as of the beginning of 2024.

60. The chart below provides a year-on-year comparison of the percentage change in Full-Time Staff costs of the IIU between 2019 and 2024 (as proposed). It can be observed that changes in the IIU’s staffing costs have been steady and predictable thus far.

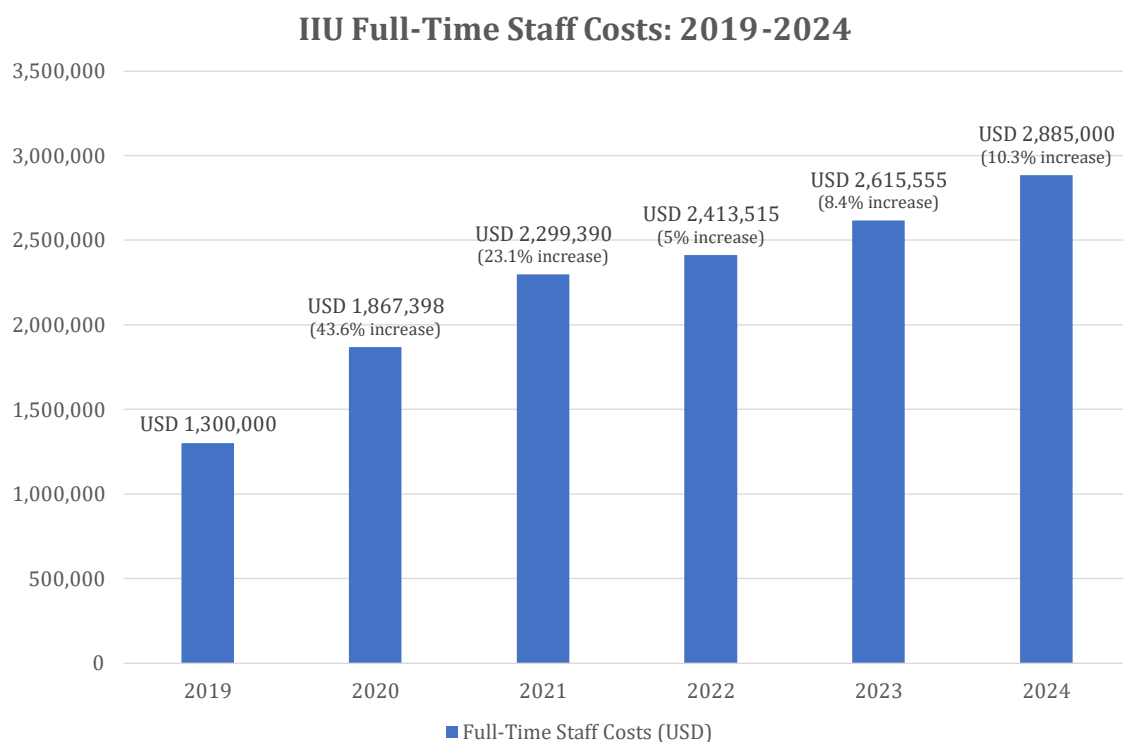


FIGURE 2. YEAR-ON-YEAR COMPARISON OF STAFF COSTS BETWEEN 2019 AND 2024

61. In line with the overall strategy of GCF and best practices, the IIU is likewise shifting away from a reliance on individual consultancies as illustrated in the chart below. The IIU has made steady progress towards enhancing its staff capacity and decreasing the number of

individual consultants, taking into account the Board’s guidance to reduce dependence on consultancies to deliver on priorities.

IIU Individual Consultancy Costs: 2019-2024

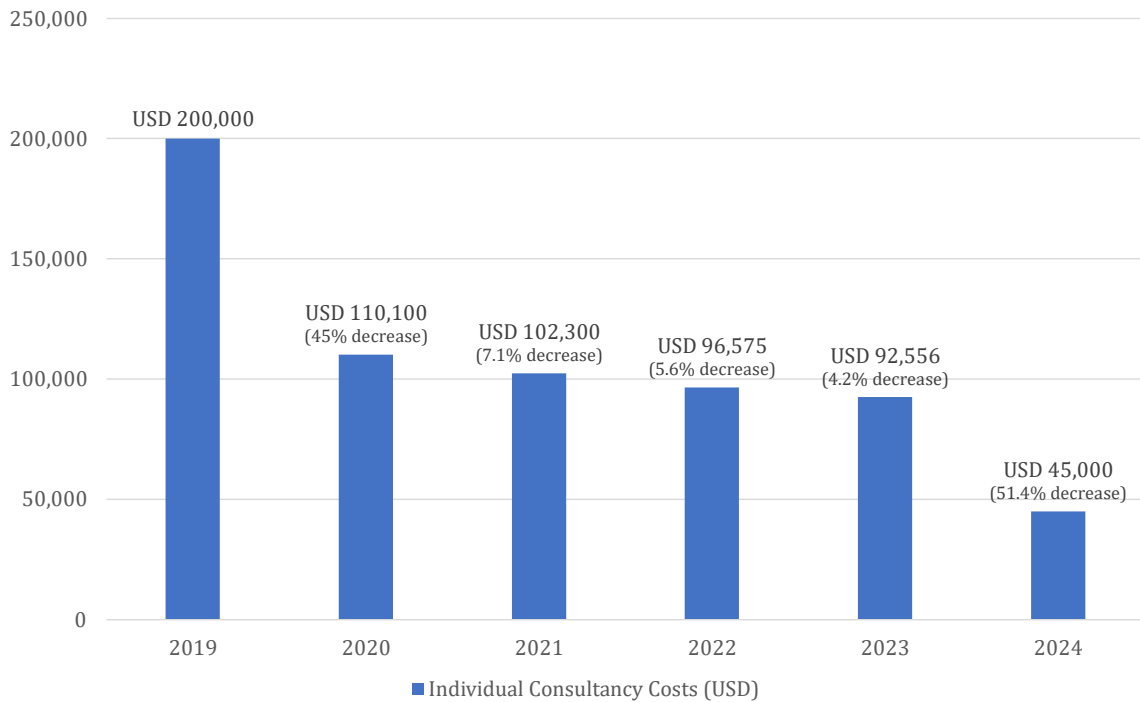


FIGURE 3. YEAR-ON-YEAR COMPARISON OF INDIVIDUAL CONSULTANCY COSTS BETWEEN 2019 AND 2024

62. In 2024, IIU will no longer engage the services of HQ-based consultants and will only contract the services of a GCF Integrity Forum Facilitator (to facilitate consultation sessions with DAEs and support the overall organisation of the GCF Integrity Forum) and an IIU Team Strategy Retreat Facilitator (to provide facilitation services in the organisation of the annual IIU team strategy retreat as necessary).

4.2 Travel

63. The IIU adopts a strategic and deliberate approach towards official travel in view of budgetary and sustainability considerations. The draft 2024 budget provides for anticipated essential travel needed for the IIU to effect its mandate, which include:

- (a) IIU representation at a GCF Board Meeting outside the Republic of Korea;
- (b) IIU representation at COP29;
- (c) IIU representation at the annual Conference of International Investigators (CII);
- (d) Onsite visits related to the conduct of Proactive Integrity Reviews (PIRs);
- (e) Organisation of a joint DAE/CSO Regional Workshop with the Independent Redress Mechanism (IRM); and
- (f) Capacity-building-related missions (for Accredited Entities and other stakeholders).

64. The IIU intends to fully utilise available technology and modalities for remote participation and interaction, whenever reasonable, to keep the travel budget at a minimum.

Nonetheless, there remains a significant portion of the IIU’s mandate that will benefit from onsite and in-person engagements as indicated in the activities above.

65. The chart below provides a year-on-year comparison of the percentage change in Travel costs of the IIU between 2019 and 2024 (as proposed).

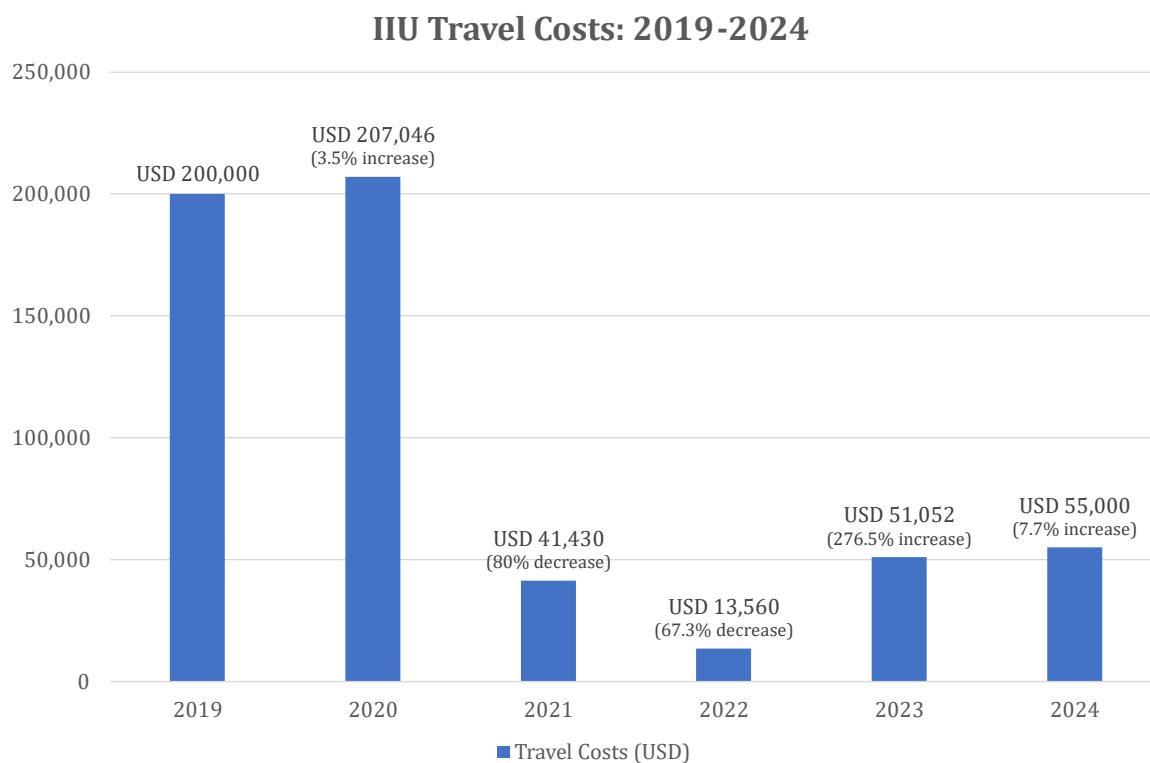


FIGURE 4. YEAR-ON-YEAR COMPARISON OF TRAVEL COSTS BETWEEN 2019 AND 2024

4.3 Contractual Services and Other Costs

66. The Contractual Services line-item accounts for the engagement of professional consulting services to support the conduct of PIRs and the ongoing work of the IIU in optimising the existing data analytics infrastructure for integrity risk detection and mitigation, particularly those capabilities related to the conduct of the PIRs.

67. To support the implementation of an enhanced capacity-building strategy, the IIU accounts for an increase in its Communication and Outreach and Operating Costs line items to continue the development and dissemination of communication products and to organise the following flagship events aimed at Accredited Entities and other GCF stakeholders:

- (a) GCF Integrity Forum 2024 (annual); and
- (b) DAE/CSO Regional Workshop (jointly with IRM).

68. The chart below provides a year-on-year comparison of the percentage change in Contractual Services and Other Costs (including Communications and Outreach, ICT, and General Operating Costs) of the IIU between 2019 and 2024 (as proposed).

IIU Contractual Services & Other Costs: 2019 -2024

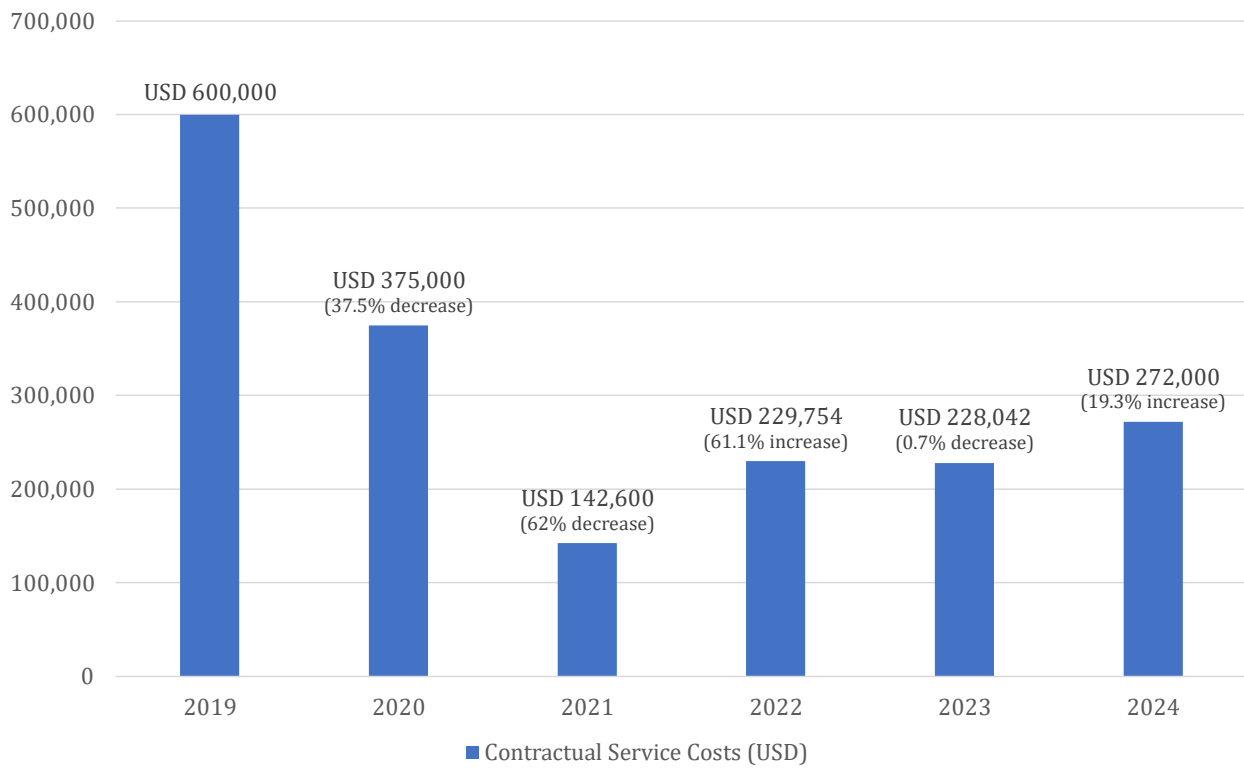


FIGURE 5. YEAR-ON-YEAR COMPARISON OF CONTRACTUAL SERVICE COSTS BETWEEN 2019 AND 2024