



**GREEN
CLIMATE
FUND**

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11 March 2022

2021 Annual Report of the Independent Integrity Unit

Summary

This document presents the 2021 Annual Report of the Independent Integrity Unit. The reporting period is from 01 January to 31 December 2021.

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I. About the Unit

1. As an accountability mechanism of the Green Climate Fund, the Independent Integrity Unit (IIU) provides GCF with the capacity to professionally and objectively investigate allegations of Prohibited Practices in Fund-related Activities, and to provide the Executive Director (or Heads of Independent Units, where appropriate) with relevant facts and recommendations to establish the basis for follow-up action.
2. The IIU employs a multi-pronged approach to promote integrity standards across GCF operations and safeguard the lawful and efficient utilisation of GCF resources. The Unit undertakes proactive prevention functions, including:
 - (a) Advising Fund divisions and external stakeholders on integrity-related contractual requirements, policies, and procedures;
 - (b) Instituting robust measures to prevent the occurrence of integrity violations, including by conducting Proactive Integrity Reviews (PIRs) in areas of increased risk and by sharing lessons learned from reviews in order to improve the effectiveness and efficiency of Fund operations and activities;
 - (c) Acting within its responsibilities in the Third Line of Defence (under the COSO Internal Control Framework adopted by the GCF Board¹) to provide oversight and reporting to the Executive Director and to the GCF Board on measures to strengthen the internal control framework of the Fund and its partners in order to guarantee the safeguarding of resources and reputation of GCF;
 - (d) Contributing to increased awareness on Prohibited Practices and integrity initiatives among Fund Personnel and external stakeholders;
 - (e) Strengthening cooperation with partner entities in the collective fight against fraud, corruption, and other forms of Prohibited Practices;
 - (f) Referring complaints to counterpart investigation offices in Accredited Entities where the scope of the complaint requires referral; and
 - (g) Referring complaints to the Independent Redress Mechanism (IRM) where the complainant seeks broad redress which is outside the remit of the IIU.
3. Key integrity policies and documents include:
 - (a) The **Terms of Reference of the IIU** sets out the scope of work, authority, and core principles of the Unit;
 - (b) The **Policy on Prohibited Practices** sets out conduct prohibited by GCF in accordance with principles laid out in the *United Nations Convention against Corruption*;
 - (c) The **Anti-Money Laundering and Countering the Financing of Terrorism Policy** sets out principles and minimum standards of internal controls in accordance with recommendations from the Financial Action Task Force (FATF) to safeguard GCF against money laundering and terrorist financing;
 - (d) The set of **Policies on Ethics and Conflicts of Interest** sets out the principles and ethical standards for Covered Individuals in connection with or having a bearing upon their status and responsibilities in the Fund;

¹ Board decision B.BM-2015/06 *Administrative Guidelines on the Internal Control Framework and Internal Audit Standards*.

- (e) The **Policy on the Protection of Whistleblowers and Witnesses** sets out protocols and principles for the protection of persons who bring allegations and information in a complaint to the IIU;
- (f) The **Administrative Remedies and Exclusion (ARE) Policy** establishes a regime for remedies and exclusion of individuals and entities engaged in the misuse of proceeds from GCF financing in Fund-related Activities; and
- (g) The **Investigation Standards** sets out the framework and guiding principles for best practice in conducting investigations under the IIU’s mandate and consistent with adopted GCF integrity policies² and its Human Resources Legal Framework. The Standards reflect generally accepted investigations standards for international organisations as laid down in the *Uniform Principles and Guidelines for Investigations* endorsed by the Conference of International Investigators³.

II. Unit Structure

- 4. To enable operational effectiveness, the Unit is comprised of three primary workstreams:
 - (a) Analytics and Operations Services Group;
 - (b) Integrity and Anti-Corruption Group; and
 - (c) Prevention Group.

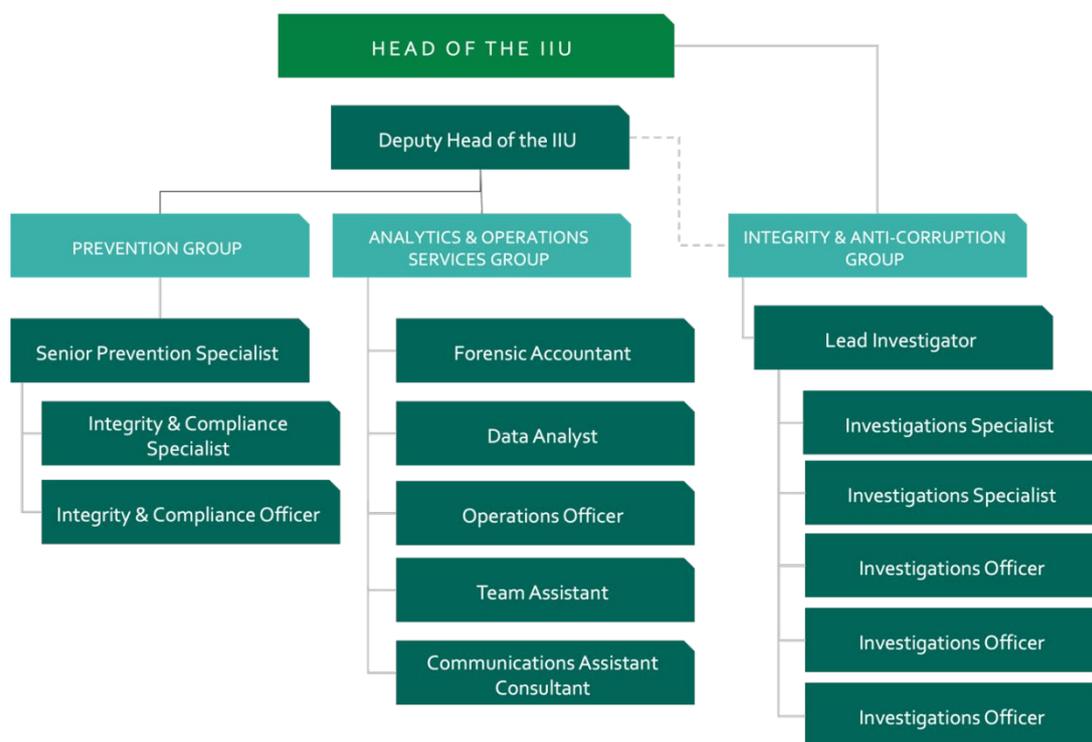


Figure 1: Organogram of the Independent Integrity Unit

² Board decisions B.22/19 *Policy on Prohibited Practices*; B.BM-2018/21 *Policy on the Protection of Whistleblowers and Witnesses*; and B.23/16 *Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment*.

³ *Uniform Principles and Guidelines for Investigations (2nd Edition)* as endorsed by the 10th Conference of International Investigators held from 10 to 12 June 2009. Available at: <http://www.conf-int-investigators.org/uniform-guidelines-for-investigations/>

III. Results at a Glance

5. The year 2021 witnessed significant milestones in GCF’s integrity function as the IIU facilitated the completion of the GCF Integrity Policy Framework, reported a marked decrease in staff misconduct cases, advanced proactive prevention initiatives, enhanced data analytics and forensics capabilities, increased the level of engagement with the GCF Secretariat and external partners, and introduced operational efficiencies.

6. The IIU took significant strides to bringing the GCF Integrity Policy Framework to completion. The Board approved the ARE Policy and the Investigation Standards, following extensive and fruitful collaboration with the Secretariat, the Ethics and Audit Committee (EAC), Board Members and advisers, Accredited Entities, and other stakeholders.

7. The GCF witnessed a significant decrease in reported staff misconduct cases being reported to the IIU as the organisational grievance mechanism and informal conflict-resolution channels were made available to GCF Personnel. This enabled the IIU to refocus its capacity and resources on integrity matters that fall within its mandate.

8. The Unit continued to leverage on innovation and upscaled the infrastructure supporting its investigation and prevention workstreams. It operationalised its Case Management System (CMS), implemented an integrity risk ranking mechanism using machine learning models, developed intelligent automation tools that inform risk mitigation initiatives, and in close collaboration with the Secretariat, commenced the inaugural integrity risk identification and the Proactive Integrity Review (PIR) process.

9. Navigating the constraints imposed by the COVID-19 pandemic on in-person engagements, the IIU implemented creative approaches to diversify channels for outreach and communications. The Unit shifted to employing online platforms that facilitate engagements, collaborations, and partnerships with stakeholders in a manner that sustained awareness raising and capacity building initiatives remotely.

10. The IIU successfully participated in the 2021 UN Climate Change Conference (COP26) in Glasgow and organised two official side events to highlight the crucial role of integrity in international climate finance operations.

11. To underpin the importance of collaboration and strategic partnerships with Accredited Entities, the IIU successfully concluded negotiations and signed an additional 18 Memoranda of Understanding (MoUs) with new entities, representing a 125 per cent increase in such engagements over the previous year. These MoUs broaden the opportunities to facilitate cooperative activities with IIU partners in promoting GCF integrity standards.

Table 1: A Comparative Summary of Reported Cases and Prevention Activities

IIU Facts and Figures	2020	2021
Total Allegations Received	31	8
- <i>Staff Misconduct</i>	16*	3
- <i>Project-Related</i>	4	5
Investigation Cases Closed	31	18
Advisories Completed	77	40
- <i>Investigation Advisories</i>	2	-
- <i>Prevention Advisories</i>	75	40
MoUs Concluded	8	18
Headcount at End of Year	11	11

**One case was reclassified as External.*

IV. Investigations

12. The IIU receives allegations of Prohibited Practices from both internal and external sources, including from anonymous complainants. The IIU is not precluded from initiating its own investigations based on findings from its own activities, media events, received information, etc. A closed case is subject to review and can be reopened if new information becomes available.

13. At intake, the IIU assesses and prioritises all incoming reports of suspected Wrongdoing and the occurrence of Prohibited Practices, to determine whether the reported matter is within its mandate and to ascertain the requisite next steps. Following a review of the Intake Report, the case may be closed, referred, or sent for Preliminary Assessment. Figure 2 below further elaborates on the investigation workflow.

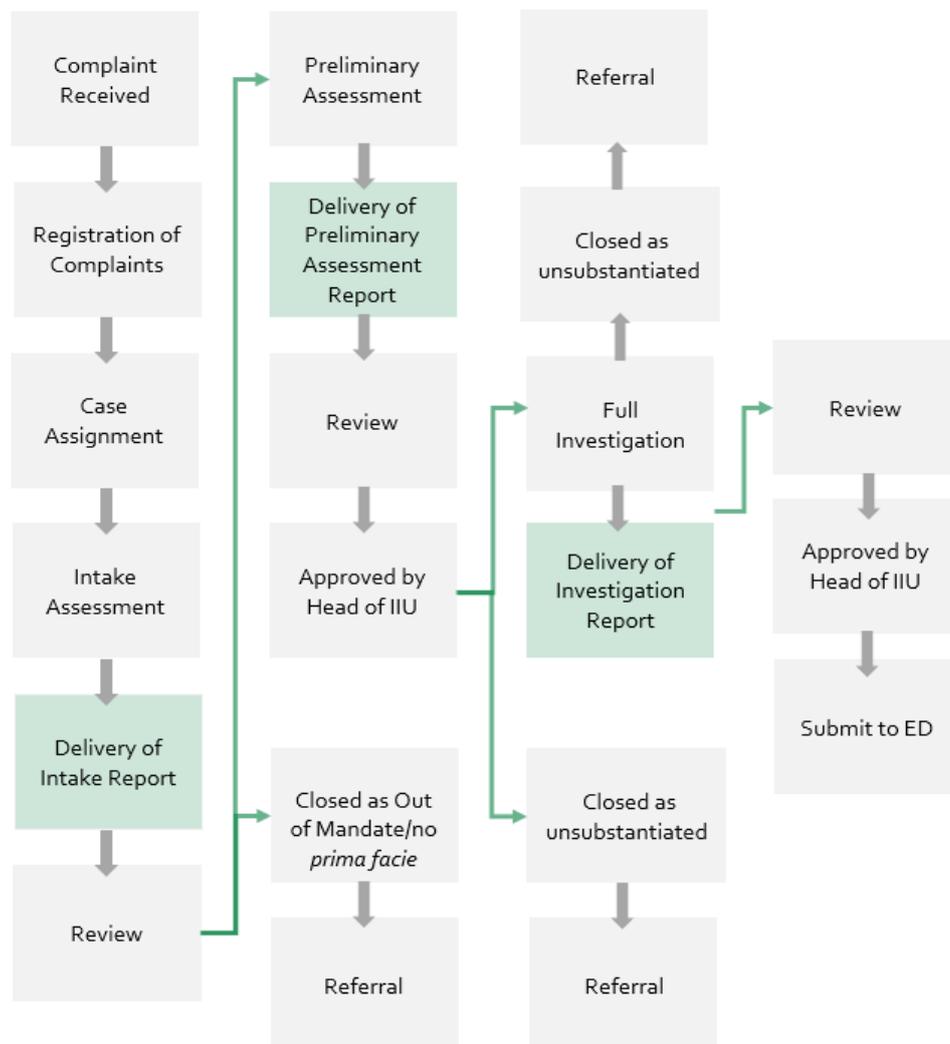


Figure 2: Investigation Workflow

14. **Case Statistics.** In 2021, the IIU observed an overall decrease in reports of suspected Wrongdoing over the previous year. The IIU registered eight new cases, three of which pertained to staff misconduct while the remaining five were related to GCF projects.

15. Within the reporting period, the IIU closed a total of 18 cases. Of these, nine pertained to staff misconduct, five were project related, one was classified as “Other”, two were not related to GCF and fell outside the IIU’s mandate, and one was an external investigation.

16. Eight cases were closed following Intake Assessment, eight following Preliminary Assessment, and two following a full Investigation, both of which were substantiated. One of the substantiated cases was a staff misconduct matter that pertained to conflict of interest, and the other was an external investigation involving the actions of a former GCF staff member. In the substantiated cases, the respective investigation reports and associated findings were submitted to the Secretariat for consideration of remedial measures.

17. Table 2 presents a summary of the comparative statistics of all cases opened and closed from 2018 to 2021. It also includes the number of cases carried over from the previous year and into the next.

Table 2: All Opened and Closed Cases between 2018-2021

All Opened and Closed Cases (2018 - 2021)			
Year	Open	Closed	Cases Carried Over
Pre-2018			4
2018	21	5	20
2019	40	37	23
2020	31	31	19
2021	8	18	5
Total Open Cases			13

18. Similarly, Table 3 presents comparative statistics of all open and closed cases from 2018 to 2021, including the year in which the respective cases were closed.

Table 3: All Opened and Closed Cases (including the respective year of closure)

All Opened and Closed Cases by Year (2018 - 2021)						
Year Received	Cases Opened	Year Closed				# of Open Cases
		2018	2019	2020	2021	
2018	21 (+4 carried over from 2017)	5*	15**	4†	1	0
2019	40		22	15	0	3
2020	31			12	14	5
2021	8				3	5
Total	104	5	37	31	18	13

*Of the five closed cases in 2018, two were opened the previous year.

**Of the 15 closed cases in 2019, one was opened in 2017.

†Of the four closed cases in 2020, one was opened in 2017.

19. Table 4 provides a summary of opened and closed staff misconduct cases from 2018 to 2021, including those cases carried over from the previous periods. Table 5 further expands on these figures and reflects the year in which the respective cases were closed. Table 6 presents a summary of cases closed by type between the years 2018 and 2021.



Table 4: Opened and Closed Staff Misconduct Cases (2018 – 2021)

Open and Closed Staff Misconduct Cases (2018 – 2021)			
Year	Open	Closed	Cases Carried Over
Pre-2018			3
2018	15	4	14
2019	24	20	18
2020	16	21	13
2021	3	9	4
Total Open Staff Misconduct Cases			7

Table 5: Opened and Closed Staff Misconduct Cases (including the respective year of closure)

Staff Misconduct Cases Opened/Closed by Year (2018 – 2021)						
Year Received	Cases Opened	Year Closed				# of Open Cases
		2018	2019	2020	2021	
2018	15 (+3 carried over from 2017)	4*	10	4**	0	0
2019	24		10	11	0	3
2020	16			6	8	2
2021	3				1	2
Total	61	4	20	21	9	7

*Of the four cases closed in 2018, two were carry-over cases from the preceding year.

**Of the four cases closed in 2020, one was opened in 2017.

Table 6: Count of Cases Closed by Type

Type of Cases	2018	2019	2020	2021
Project-Related Reports	0	5	2	5
Abuse	0	0	0	0
Collusion	0	0	1	0
Conflict of Interest	0	0	0	0
Corruption	0	2	1	1
Fraud	0	3	0	3
Other Project-Related Reports	0	0	0	1
Staff Misconduct	4	20	21	9
Abuse	0	6	5	2
Collusion	0	1	0	0
Conflict of Interest	1	8	1	1
Fraud	1	1	0	0
Harassment	0	3	10	3



Type of Cases	2018	2019	2020	2021
Other Misconduct	0	0	1	0
Retaliation against Whistleblowers and Witnesses	0	1	1	1
SEAH	2	0	3	2
Non-Integrity Violation	1	12	8	3
External	0	0	0	1
TOTAL	5	37	31	18

20. Classification of opened cases by type from 2018 to 2021 is presented in Table 7 below.

Table 7: Count of Cases Opened by Type

Type of Cases	2018	2019	2020	2021
Project-Related Reports	3	4	4	5
Abuse	0	0	0	1
Collusion	0	1	0	1
Conflict of Interest	0	0	1	0
Corruption	1	2	1	2
Fraud	2	1	2	0
Other Project-Related Reports	0	0	0	1
Staff Misconduct	15	24	16*	3
Abuse	4	8	1	1
Collusion	0	1	0	0
Conflict of Interest	5	5	1	1
Fraud	0	1	1	0
Harassment	4	6	8	1
Other Misconduct	0	0	1	0
Retaliation against Whistleblowers and Witnesses	1	1	1	0
SEAH	1	2	3	0
Non-Integrity Violation	3	12	10	0
External	0	0	1	0
TOTAL	21	40	31	8

*One case was reclassified as External.

21. As indicated in the case statistics above, the IIU had 13 open cases by year-end 2021, seven of which pertain to staff misconduct. Of these staff misconduct cases, three are from 2019, two from 2020, and two from the current reporting year. Of the remaining six non-staff misconduct cases, five are project related, two of which were opened in 2020 and three in 2021. The remaining case is not project related nor staff misconduct and was opened in 2020.

22. **Investigation Standards.** The Investigation Standards was approved by the GCF Board on 17 December 2021 through a decision between meetings (B.BM-2021/22). It sets out the principles and general procedures applicable to GCF investigations, ensuring consistent, objective, and effective investigations that align with international best practices within the context of GCF's legal and policy framework as adopted by the Board. It also provides certainty and transparency to investigation participants, the subjects of investigations, and other stakeholders about the investigation process.

23. The Standards were developed by the IIU in close collaboration with the Office of the General Counsel and the Office of the Executive Director through its Ethics function. The IIU also engaged in extensive consultations with other divisions of the Secretariat, along with the Independent Redress Mechanism, the Personnel Council, all GCF Personnel, and Accredited

Entities. Consultations were also had with the EAC of the Board throughout the document's development.

24. **Investigation Manual.** The IIU has progressed an advanced draft of the Investigation Manual for further socialisation with relevant divisions of the Secretariat and other Independent Units. The Investigation Manual is an internal document intended to support the Investigation Standards by articulating specific operating procedures of the IIU's investigation function.

25. In addition to the development of the Investigation Standards and Manual, the IIU continued its periodic self-assessment and further improved investigation protocols, templates, and standard forms to streamline the investigation function.

26. **Case Management System.** The IIU implemented its CMS following the successful completion of user acceptance testing and configuration. The CMS integrates an intake function for reports of suspected Wrongdoing and serves as the primary platform of the IIU to manage the investigations process including but not limited to the registration of reports, eligibility checks, case assignment, evidence tracking, case reviews/approval, and case referrals. The system's analytic capabilities and flexible reporting dashboard also allows for improved efficiencies by providing real-time access to case data and pertinent performance indicators.

V. Analytics and Fraud Detection

27. In 2021, the IIU significantly expanded its analytics capacity by leveraging on innovation through the deployment of cloud computing tools to support machine learning and intelligent automation.

28. **Integrity Due Diligence Platform.** Building on the milestones of the previous year, the IIU continued the development and implementation of its Integrity Due Diligence Platform (IDDP) to support project-level due diligence use cases. The platform is designed to systematically take in program and project data, along with input from other external sources to raise early warning on potential issues or integrity risks. In 2021, the IIU wrote modular infrastructure configurations according to best practices, thereby improving the security and reliability of the platform. The Unit also updated the configuration of IIU's data integration tools, developing data flow automations required to serve IIU machine learning models with fresh data.

29. **Sanctions and Debarment List Extract-Transform-Load.** With the deployment of basic IDDP infrastructure, work began in 2021 on one component of the data integration required to deliver the IDDP: Extract-Transform-Load (ETL) of sanctions and debarment lists (see Figure 3 below for a simplified overview of the ETL workflow).

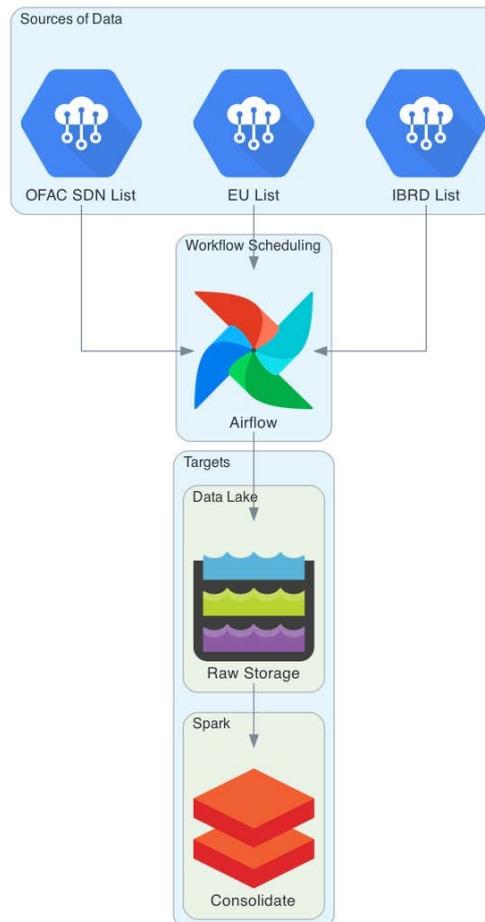


Figure 3: Sanctions List Extract-Transform-Load

30. **Proactive Integrity Review Model Audit.** In 2021, the IIU resumed an audit of existing approaches to project-level integrity risk scoring. In doing so, two new requirements were established:

- (a) To enable out-of-sample evaluation based on model performance at the task of predicting weakness in financial controls among a set of projects similar to the set within the GCF portfolio; and
- (b) To provide stakeholders with an audit trail for the entire modelling process.

31. **Ranking Audit Trail.** Leveraging on previous work, IIU focused its detection efforts in continuing to develop a defensible project-level integrity risk ranking alongside an audit trail documenting the process by which the ranking was produced. With coding notebooks and other technical assets, the audit trail was augmented to include supporting documentation intended to offer enhanced disclosure for internal stakeholders across the Fund, addressing a disclosure gap identified previously by the Secretariat⁴.

32. **Red Flag Detection Workflow.** Newly acquired data was integrated manually into a red flag detection workflow (see Figure 4 below) which combines ingestion of project-level data with algorithms for natural language processing then sentence-level flag detection followed by human review whereafter a ranking is produced. This red-flag detection operates on two layers:

⁴ See GCF/B.27/Inf.07/Add.01 [Annual Implementation Report on the Policy on Prohibited Practices: Secretariat Management Response](#), page 7.

- (a) a “Relevance” layer in which a machine learning model was trained to distinguish control-related sentences from sentences unrelated to controls; and followed by
- (b) a “Performance” layer in which a separate machine learning model was trained to distinguish sentences indicating “weak” control performance from sentences indicating “strong/normal” control performance.

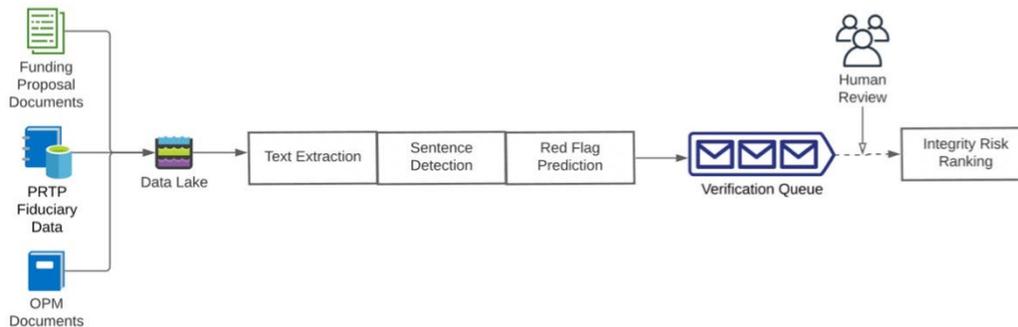


Figure 4: Simplified Red Flag Detection Workflow

33. The IIU used this red flag detection system for inference about GCF-funded activities, first by finding sentences related to controls within GCF project level-data, and second by identifying (among control-related sentences) which sentences indicate weak and strong controls. Following human review of these outputs, a set of red flags is produced. By aggregation of these sets of red flags, the IIU has constructed a ranking of GCF-funded activities based on integrity risk ratings which provide objective, data-driven selection of projects for subsequent in-depth PIRs.

VI. Prevention

6.1 Integrity Policy Framework

34. **Administrative Remedies and Exclusion Policy.** The ARE Policy was approved by the GCF Board on 12 May 2021 through a decision between meetings (B.BM-2021/09). It sets out the general integrity enforcement framework of the administrative process by which an independent determination or decision, through an administrative proceedings or settlements, to apply remedies, including exclusion or debarment against parties alleged to have engaged in Prohibited Practices in connection with Fund-related Activities.

35. The ARE Policy was developed in close collaboration with the GCF Secretariat and under the guidance of the EAC of the Board. The integrity enforcement framework established by the ARE Policy will become operational subsequent to the setting up of the first and second tiers of the sanctions regime as established in the Policy. The IIU, in collaboration with the Secretariat, is currently developing the secondary documents that will operationalise the ARE framework, which include:

- (a) the Administrative Remedies and Exclusion Guidelines for Implementation;
- (b) the Administrative Remedies and Exclusion Procedures;
- (c) the Integrity Compliance Guidelines; and
- (d) the Settlement Guidelines.

36. **Initial Fiduciary Principles and Standards Update.** As mandated by the Board⁵, the IIU undertook to propose amendments to the *Initial Fiduciary Principles and Standards of the GCF* (“Fiduciary Standards”) adopted by decision B.07/02(b) in 2014 in the context of the Accreditation Framework. This undertaking was mandated by the Board in subsequent Board decisions following the adoption of integrity policies which set out and clarify obligations for GCF Counterparties, including Accredited Entities and Delivery Partners. The said policies comprise the Policy on Prohibited Practices (decision B.22/19(a) in 2019), the Anti-Money Laundering and Countering the Financing of Terrorism Policy (decision B.18/10(a) in 2017), the Standards for the Implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy (decision B.23/15(a) in 2019), and the Policy on the Protection of Whistleblowers and Witnesses (decision B.BM-2018/21(a) in 2018).

37. In 2021, the IIU continued consultations with the Secretariat on the updated draft of the “Transparency and Accountability” section of the Fiduciary Standards to integrate obligations set out in those policies, inter alia, guide and ensure accountability for accreditation and reaccreditation purposes. Two meetings were held with the Chair of the Accreditation Committee whereby the urgency of updating the Fiduciary Standards was emphasised. At the time of this writing, the updated Standards are intended to be presented for Board consideration in early 2022.

38. **Standard Operating Procedures of the AML/CFT Standards.** The IIU engaged with the Secretariat to finalise the Standard Operating Procedures (SOPs) to operationalise the requirements of the GCF AML/CFT Standards adopted by the Board in decision B.23/15 in 2019. Subject to approval by the EAC, the SOPs will standardise the due diligence efforts to be undertaken to assure that risks of money laundering and terrorist financing are adequately assessed and addressed. The SOPs establish procedures to identify and mitigate money laundering and terrorist financing risks in GCF operations. The SOPs will be presented to the EAC for its consideration and endorsement in early 2022.

6.2 Proactive Integrity Risk Assessment

39. The IIU takes a proactive approach in managing integrity risks in GCF-funded activities by developing and implementing robust preventive measures including PIRs. The PIR model of the IIU entails a two-tier approach of integrity risk assessment which will enable an intelligence-led selection of projects/programmes to review and facilitate in-depth reviews of projects/programmes based on their respective risk ratings. During the reporting period, the Unit made progress in developing an integrity risk rating tool in conducting extensive consultations with the Secretariat on PIR methodology and implementation processes and in testing and commencing the pilot review.

40. **Development of an Integrity Risk Rating Tool.** The IIU developed a tool to assess integrity risks in GCF-funded projects by extracting integrity-related events from GCF operational documents and reports. The tool aims to rank projects by propensity to exhibit integrity violations, both in aggregate and broken down into constituent integrity risk types.

41. **Commencement of the Pilot Review.** Prior to commencing a pilot review, the IIU conducted extensive consultations with relevant Secretariat parties regarding the methodology and the need to access data necessary to carry out the PIRs to facilitate understanding and cooperation for mutual benefit. During the reporting period, the Unit commenced a pilot review

⁵ Board decisions B.14/01; B.BM 2018/21(c); and B.23/15(b). The importance of updating the Fiduciary Standards is grounded in paragraph 63 of the *Governing Instrument of GCF* by which the Board must ensure that such standards are applied “to the Fund’s entities, the trustee’s function related to the Fund, and to all operations, projects, and programs financed by the Fund, including the implementing entities”.

by conducting preliminary risk assessments on projects based on data provided by the Secretariat. In doing so, a set of objective integrity risk criteria was used which aligns with obligations defined by GCF integrity policies.

6.3 Integrity Policy Implementation

42. **Provision of Advisories.** As an important tool to prevent and mitigate risks of integrity violations in Fund-related Activities, the IIU continued to provide advisories and guidance to relevant stakeholders upon request. These advisories encompassed the interpretation and application of GCF integrity policies in the context of Fund-related Activities categorised as those related to:

- (a) Conflicts of interest for Board Members, Board-Appointed Officials, and External Members;
- (b) Integrity safeguards in contractual agreements with Counterparties; and
- (c) Implementation of various integrity policies.

43. The IIU also provided advisories to the EAC regarding its role and the role of the EAC Chair with regard to obligations and procedures set out in the *Policy on the Protection of Whistleblowers and Witnesses* and the set of *Policies on Ethics and Conflicts of Interest*.

44. In 2021, a total of 40 advisory requests were received and fulfilled with the following component breakdown:

Table 8: Prevention Advisories

Advisory Type	2020	2021
Conflicts of Interest for Board Members, Board-Appointed Officials, and External Members	2	9
Integrity Safeguards in Contractual Agreements with Counterparties	30	25
Implementation of the GCF Integrity Policy Framework	41	6
Total	73	40

45. **Improving the Effectiveness of Integrity Policies.** In compliance with GCF integrity policy requirements, the IIU prepared and presented to the Board for its information annual implementation reports on the *Policy on Prohibited Practices* (decision B.22/19) and the *Policy on the Protection of Whistleblowers and Witnesses* (decision B.BM-2018/21). The IIU engaged with various divisions of the Secretariat and obtained valuable feedback to further strengthen the implementation efforts. The reports examined the activities undertaken to implement said Policies in 2020 followed by recommendations to improve the effectiveness of the Policies (see GCF/B.30/Inf.15 [2020 Annual Implementation Report on the Policy on Prohibited Practices](#); and GCF/B.30/Inf.16 [2020 Annual Implementation Report on the Policy on the Protection of Whistleblowers and Witnesses](#)).

6.4 Technical Assistance and Capacity Building Support

46. **Engaging with Accredited Entities.** In 2021, the IIU continued to engage in important dialogues with counterpart offices in Accredited Entities to facilitate cooperative activities ranging from information sharing and joint investigative activities, to provision of capacity-building support. During the reporting period, the IIU has advanced its efforts on establishing cooperation modalities by concluding negotiations on Memoranda of Understanding (MoUs) with 18 additional Accredited Entities, representing an increase of 125 per cent over the previous year and bringing the cumulative total of concluded MoUs to 33. By year-end 2021, the total number of Accredited Entities under MoU negotiations stand at 37.

47. **Peer-to-Peer Learning Alliance Engagement.** The IIU engaged in peer learning initiatives with comparator organisations to remain at the frontier of relevant integrity practices. The Unit supported the work programme of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)-led Peer-to-Peer Learning Alliance (P2P-LA) on Climate Finance Integrity by participating as a resource institution in a webinar on 03 May 2021 for the P2P-LA Online Integrity Week. The IIU updated the alliance members on recent developments in the integrity function of the GCF highlighting milestones in the GCF Integrity Policy Framework, PIRs, digital forensics and investigations, and the IDDP. At the end of the session, the IIU recognised potential areas for collaboration and shared learning to advance capacity building.

48. **Strategy Development on Capacity Building and Technical Assistance in Consultation with Accredited Entities and Delivery Partners.** In 2021, given limitations compounded by the ongoing global health pandemic, the IIU put in place plans to strengthen engagement and capacity building support for GCF implementing partners through new ways of working. In the third quarter, the IIU began developing an approach to learn more about specific needs of implementing partners through a broad survey method followed by direct bilateral engagement.

49. In December 2021, the IIU launched a Needs Assessment Survey for GCF Accredited Entities and Delivery Partners to identify respective capacity building requirements. The IIU undertakes to develop a forward-looking capacity building strategy and technical assistance programme in 2022 in close partnership with implementing partners to catalyse and streamline support actions. Insights from the survey are vital to ensure that both strategy and programme are relevant, efficient, and responsive to the needs of partners with appropriate prioritisation of support. Feedback from the survey will also inform the most suitable delivery channels such as webinars, e-learning tools, peer learning, mentoring, and coaching of partners, among others.

50. **Cooperation with the International Community.** The IIU continued to identify and establish opportunities for cooperation with the communities of integrity offices from International Financial Institutions and Multilateral Development Banks and other regional financial institutions. Within this framework, the IIU participated in the 21st Conference of International Investigators (CII) jointly hosted by the World Food Programme, Food and Agriculture Organisation, and the International Fund for Agricultural Development on 04-06 May 2021. Due to restrictions on travel and in-person engagements, the conference was held in virtual mode and was attended by a record number of participants. The IIU participated actively in the discussions and enlisted to join special panels and working groups to develop CII principles and guidelines in financial forensics, digital and electronic investigations, training and certification, as well as fraud detection activities.

VII. Awareness Raising and Communications

51. 2021 was a year of opportunities for awareness-raising and communications at the IIU. The use of remote conferencing, with its associated challenges, brought in more speaking engagements with the Head of the IIU taking the lead. The recurring theme for messaging was to tell stories and highlight the roles of individuals and communities in moving the agenda of integrity in climate action.

52. **External Engagements and Partnerships.** To maximise reach and visibility, the IIU participated in the following external forums and initiatives on awareness raising:

Table 9: External Engagements and Partnerships of the IIU

Date	Event Title & Theme	Organiser/Host	Participants
21 May 2021	10th Asia-Pacific Water Forum Webinar <i>Strengthening Integrity: Crucial in Advancing Water Security in Asia Pacific</i>	Asia-Pacific Water Summit	153 participants from 49 Asia-Pacific country embassies in Japan
23 Aug 2021	Stockholm World Water Week <i>The Role of the Financier in Mitigating Integrity Failures and Maladaptation</i>	Independent Integrity Unit & Water Integrity Network	304 participants
11 Nov 2021	COP26 Green Climate Fund and Global Environment Facility Pavilion Event <i>Launching of Thematic Brief and Panel Session on Enhancing Integrity to Avoid Maladaptation</i>	Independent Integrity Unit	74 registered participants Livestream Audience: 150 peak viewers Live Audience: 30
12 Nov 2021	COP26 Green Climate Fund and Global Environment Facility Pavilion Event <i>Climate Finance Accountability: Evaluation, Integrity and Redress at the GCF</i>	GCF Independent Units	Information Unavailable
08 Dec 2021	2021 Caribbean Conference on Corruption, Compliance, and Cybercrime <i>Corruption and Climate Financing: Lessons for the Caribbean</i>	Caribbean Development Bank	1,000 registered participants

53. **COP26 Engagements.** Participating at the 2021 UN Climate Change Conference (COP26) in Glasgow, the IIU has organised two official side events to highlight the crucial role of integrity in international climate finance operations:

(a) **Enhancing Integrity to Avoid Maladaptation (Panel Discussion).** A distinguished panel of thought leaders reflected on the issue of Maladaptation from the standpoint of

integrity and climate finance. They identified different anti-corruption strategies and integrity measures that can be incorporated in adaptation projects to avoid the maladaptation trap. Organising institutions include the IIU, Transparency International, GIZ, Central American Bank for Economic Integration (CABEI), University of Witwatersrand, and the International Fund for Agricultural Development; and

- (b) **Climate Finance Accountability: Evaluation, Integrity, and Redress at GCF (Panel Discussion).** Accountability at all levels is crucial to provide access to climate finance in ways that are evidence-based and free of corruption, and that address any potential adverse impacts on communities. The three Independent Units of GCF presented their respective mandates and shared illustrative examples of cases and outcomes.

54. **Development of Knowledge Product.** Alongside official events at COP26, the IIU developed a thematic brief entitled, “Enhancing Integrity to Avoid Maladaptation” in collaboration with the CABEI, Transparency International, Water Integrity Network (WIN), and the University of Witwatersrand. The GCF Executive Director officially launched the thematic brief during the panel discussion on the same topic at COP26.

55. The thematic brief provides an initial understanding of integrity risks in adaptation projects and how these risks can lead to maladaptation if left unaddressed. It also identifies potential ways forward in mitigating the possible cycle of maladaptive outcomes. The brief further strives to increase awareness of the issue and expand the discourse to diverse stakeholders. With the launch of the thematic brief, the IIU hopes to encourage further discourse on the emerging topic of maladaptation and be a catalyst to finding solutions and remediation while ensuring adaptation funds are used efficiently. The IIU also plans to drive the momentum by collaborating with stakeholders from governments to grassroots to ensure sustained commitment to addressing integrity gaps that may lead to maladaptation in climate projects.

56. **Communication Campaigns.** During the reporting period, the IIU produced communication campaigns that articulate messages in an engaging manner. The strategy was to develop communications assets that respond to and complement current events at GCF and weave messages that highlight stories of stakeholders.

- (a) **International Women’s Day Campaign.** IIU celebrated International Women’s Day on 08 March 2021 and honoured women’s acts of leadership at GCF by initiating a communication campaign to build goodwill among GCF Personnel and stakeholders. Women leaders at GCF took centre stage by presenting their insights on leadership.

Table 10: International Women’s Day Content Performance

Material	Target Audience	Reach
Email Newsletter	Internal Stakeholders	366 recipients 41% open rate
6 Social Media Posts shared via GCF Official Channels	External Stakeholders (General Public)	972 engagements

- (b) **International Anti-Corruption Day (IACD) 2021 Campaign.** The global theme for IACD 2021 is “*Your Right, Your Role: Say No to Corruption.*” For the IIU, this was an opportunity to reaffirm the commitment of GCF to anti-corruption and re-emphasise the values of integrity, accountability, and transparency in protecting climate action. This year, IACD arrived shortly after COP26. The IIU produced a video highlighting conversations at COP26 on how individuals can safeguard climate action from corruption.

Table 11: International Anti-Corruption Day Content Performance

Material	Target Audience	Reach
Email Newsletter	Internal and External Stakeholders (Accredited Entity Focal Points, Integrity Counterparts)	730 recipients, 43.4% open rate
6 Social Media Posts shared via GCF Official Channels	External Stakeholders (General Public)	972 engagements
VIDEO: How Do We Safeguard Climate Action from Corruption? – 2021 International Anti-Corruption Day Material (5:00)	External Stakeholders (General Public)	1348 total views

57. **Social Media Channels and Video Assets.** The IIU soft-launched its social media channels in November 2021 to broaden its audiences. The goal was to focus on growing key channels in LinkedIn, establish a repository of video assets on YouTube, introduce visibility on Twitter, and connect with niche audiences in climate finance and integrity.

Table 12: IIU Social Media Channels

Platform	Impressions
LinkedIn - https://www.linkedin.com/company/gcfintegrity/	6317
YouTube - https://www.youtube.com/channel/UCtgjgNS1nU9b4hBi-0sofhw	267
Twitter - https://twitter.com/GCFintegrity	5,400

Table 13: Video Assets Performance (LinkedIn and YouTube) (as of 31 December 2021)

Upload Date	Video Title & Upload Date	Reach
02 Mar 2021	WIN Talks Integrity with Ibrahim Pam from the Green Climate Fund (Co-Produced with the Water Integrity Network) (05:28)	424
15 Nov 2021	Climate Finance Accountability: Evaluation, Integrity, and Redress at the GCF (Event Recording) (01:19:00)	73
16 Nov 2021	Protecting Adaptation Projects from Maladaptation (Thematic Brief Launch Video) (04:00)	428
17 Nov 2021	COP26 Event: Enhancing Integrity to Avoid Maladaptation - recording of the event (01:42:00)	98
09 Dec 2021	How Do We Safeguard Climate Action from Corruption? – 2021 International Anti-Corruption Day Material (5:00)	1348

58. **Green Shift Intranet.** On 15 February 2021, the Secretariat launched the “Green Shift,” which serves as the primary internal communication touchpoint for GCF Personnel. The IIU actively supported and provided news and updates to this new platform.

Table 14: 2021 IIU Entries for GCF Green Shift

Date	Title	Views
28 Jan	4 Minutes to Get You Started on Integrity for Climate Action in 2021	38
09 Mar	When Women Lead	49
19 May	IIU Head Ibrahim Pam to Speak at the Asia-Pacific Water Forum on 21 May	27
01 Jun	IIU Head Discuss Integrity for Water Projects with WIN	30

Date	Title	Views
12 Aug	2020 Annual Report of the IIU	39
17 Aug	IIU Head to Speak at Sweden World Water Week Panel	50
27 Sep	VIDEO: Tackling Integrity Failures in Water Sector Climate Adaptation	28
08 Oct	VIDEO: Advancing Integrity for Water Security in Asia-Pacific	23
03 Nov	IIU Side Events at COP26	45
08 Dec	IIU Head to Speak at the Caribbean Corruption, Compliance, and Cybercrime Conference	29
09 Dec	GCF Celebrates International Anti-Corruption Day 2021	27
22 Dec	Board Approves Investigation Standards	38
Total Views		423

59. **IIU Official Website.** 2021 saw an increase in traffic to the official website of the Unit (<https://iiu.greenclimate.fund>). Visitors referred to the website to view policies, learn about the IIU, and read updates on campaigns and events.

Table 15: IIU Website Statistics

Indicators	2020	2021	% Increase
Users (Visitors by URL)	1799	4026	123.79%
Sessions (Number of Visits)	3085	6479	110.02%
Page Views	6478	10837	67.29%
Top 10 Users by Country (in descending order)			
South Korea, United States, China, India, Germany, Singapore, United Kingdom, Argentina, Austria, Canada			

Table 16: IIU Website Page Performance

Page Name	Views
Integrity Policies	784
Who We Are/What We Do	783
Reporting Fraud/How to Report	624
Publications	532
When Women Lead Campaign	458
COP26 Maladaptation Thematic Brief	326
Investigation	276

VIII. Operations Support

8.1 Staffing

60. Over the course of 2021, IIU continued to build its staff capacity while navigating the constraints imposed by the COVID-19 pandemic. By year-end, the Unit maintained its headcount as from the previous year – a diverse and capable team of 11, comprising of nine staff members, one full-time consultant, and one part-time consultant.

61. The IIU welcomed a Senior Prevention Specialist in March 2021 to lead in the development and implementation of proactive integrity initiatives, monitor the effectiveness of

integrity efforts and strategies, and develop awareness-raising and capacity-building programmes.

62. In November 2021, IIU also onboarded an Operations Officer to support the implementation of effective administration, operational, and resource management strategies by acting as lead project coordinator for IIU workstream initiatives.

63. The IIU concluded the recruitment process for the Lead Investigator role in November 2021, with the selected candidate scheduled for onboarding in early 2022.

8.2 Budget Execution

64. The ongoing international public health crisis has continued to impact IIU activities, specifically in the recruitment of staff and implementation of outreach and capacity building initiatives. The budget execution for 2021 demonstrates the creativity and resilience of IIU operations to ensure business continuity amidst the new realities in the COVID-19 pandemic. Table 16 illustrates the full budget execution of the IIU for the year 2021.

65. Staff recruitment remained challenging as timelines for most positions had to be recalibrated depending on developments regarding COVID-19 travel and quarantine restrictions. This has led to the engagement of individual consultancy services to help meet requirements in the short term.

66. In 2021, the IIU upscaled the infrastructure supporting its investigation and proactive prevention work. The Unit significantly expanded its analytics capacity with the acquisition and deployment of a set of cloud computing tools and services to support machine learning and automation in project risk management. The increased expenditure in information systems enabled the IIU to leverage on available technology and implement an enhanced red flag detection system and develop a comprehensive integrity risk rating for its PIRs. The IIU also fully implemented a CMS for its investigation function following successful completion of user acceptance testing and configuration.

67. Similarly, although the IIU initiated activities related to its PIRs, the pandemic and other unforeseen logistical matters lent to the necessary deferment of certain activities such as travel, the engagement of professional services, and the procurement of associated technical tools. Official travel was only utilised to facilitate IIU representation and activities at the 2021 UN Climate Change Conference (COP26) alongside the entire GCF delegation.

68. Considering the indicated limitations and reduction of direct engagements in 2021, the IIU shifted its marketing collateral from print-based materials and heavily relied on electronic/virtual tools and platforms for its communications and outreach campaigns which resulted to significant budgetary savings. The Unit has pivoted its prevention initiatives to take advantage of technical implementations, virtual environments, and the engagement of hybrid modalities to ensure continued performance of its overall mandate.



Table 17: IIU Budget Execution in the Year 2021

		2021 Approved Budget (USD)	Actual Expenditures in 2021 ⁶ (USD)	% Spent
1	Staff Costs			
1.1	<i>Full-time Staff</i>	2,299,390	1,694,320	74%
1.2	<i>Consultants and Interns</i>	102,300	207,276	203%
	Sub-Total (1)	2,401,690	1,901,596	79%
2	Travel			
2.1	<i>General</i>	41,430	14,931	36%
	Sub-Total (2)	41,430	14,931	36%
3	Contractual Services			
3.1	<i>Professional Services</i>	-	-	0%
3.2	<i>Communications and Outreach</i>	10,000	-	0%
3.3	<i>Other Operating Costs</i>	66,000	53,825	82%
3.4	<i>Information and Communications Technology</i>	66,600	125,891	189%
	Sub-Total (3)	142,600	179,716	126%
	Total	2,585,720	2,096,243	81%
4	Shared Cost Allocation			
4.1	<i>Shared Cost Allocation</i>	210,673	210,673	100%
	Sub-Total (4)	210,673	210,673	100%
	Grand Total (1+2+3+4)	2,796,393	2,306,916	82%

⁶ As of 31 December 2021.