



**GREEN
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Report on the activities of the Independent Integrity Unit

Summary

This report provides an update on the progress made by the Independent Integrity Unit in the implementation of its 2022 Work Programme as adopted by the Board at its twenty-seventh meeting. The reporting period is from 16 April to 17 June 2022.

I. Introduction

1. This report on the activities of the Independent Integrity Unit (IIU) provides an update on the progress made by the Unit in implementing its 2022 Work Programme as approved by the Board¹. It provides an update by key priority areas in the reporting period from 16 April to 17 June 2022.
2. Consistent with the IIU 2022 Work Programme, activities during the reporting period were focused particularly on the following priorities:
 - (a) Optimise investigation efficiencies and capacities;
 - (b) Integrity policy guidance and implementation oversight;
 - (c) Technical assistance to strengthen capacity of Accredited Entities;
 - (d) Integrity risk assessment and Proactive Integrity Reviews (PIRs);
 - (e) Intelligent automation and risk mitigation; and
 - (f) Awareness raising, communications, and enhancing operational efficiencies.

II. Activities of the Independent Integrity Unit during the Reporting Period

2.1 Optimise Investigation Efficiencies and Capacities

3. **Case Information.** During the reporting period (from 16 April to 17 June 2022), the IIU opened eight new cases as illustrated in Table 1 below. These included four project-related cases, three cases of staff misconduct, and one external case.
4. The IIU closed three cases during the reporting period. Two cases, including one project-related and one non-integrity violation case, were closed following an intake assessment. One staff misconduct case was closed following a preliminary assessment. The aggregate summaries can be found in Tables 1 and 2 respectively.
5. Two project-related cases, one from 2020 and the other from 2021, remain open and under investigation with the relevant counterpart offices of the Accredited Entities (AEs). The IIU continues to liaise with the respective offices in accordance with contractual obligations between the GCF and the AEs.

Table 1: All Opened and Closed Cases (2018 – 2022)

Year	Open	Closed	Cases Carried Over
Pre-2018			4
2018	21	5	20
2019	41	37	24

¹ Board decision B.30/09.

Year	Open	Closed	Cases Carried Over
2020	31	31	24
2021	8	18	14
2022	13	9	
Total Open Cases			18

Table 2: Opened and Closed Staff Misconduct Cases (2018 – 2022)

Year	Open	Closed	Cases Carried Over
Pre-2018			3
2018	15	4	14
2019	25	20	19
2020	16	21	14
2021	3	9	8
2022	6	6	
Total Open Staff Misconduct Cases			8

6. The succeeding tables provide further summary statistics of the IIU cases.

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

Year Received	Cases Opened	Year Closed					# of Open Cases
		2018	2019	2020	2021	2022	
2018	21 (+4 carried over from 2017)	5*	15**	4†	1		0
2019	41††		22	15	0	4	0
2020	31			12	14	3	2‡
2021	8				3	1	4‡
2022	13					1	12
Total	118	5	37	31	18	9	18

*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.

††One case from 2019 was split into two cases in 2022.

‡Includes a case under investigation by an Accredited Entity.

Table 4: Opened and Closed Staff Misconduct Cases (including the respective year of closure)

Year Received	Cases Opened	Year Closed					# of Open Cases
		2018	2019	2020	2021	2022	
2018	15 (+3 carried over from 2017)	4*	10	4**			0
2019	25†		10	11	0	4	0
2020	16			6	8	1	1
2021	3				1	1	1
2022	6					0	6
Total	68	4	20	21	9	6	8

*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.

†One case from 2019 was split into two cases in 2022.

Table 5: Count of Cases Closed by Type

Type of Cases	2018	2019	2020	2021	2022
Project-Related Reports	0	5	2	5	2
Abuse	-	-	-	-	-
Collusion	-	-	1	-	-
Conflict of Interest	-	-	-	-	1
Corruption	-	2	1	1	-
Fraud	-	3	-	3	-
Other Project-Related Reports	-	-	-	1	1
Staff Misconduct	4	20	21	9	6
Abuse	-	6	5	2	1
Collusion	-	1	-	-	-
Conflict of Interest	1	8	1	1	3
Fraud	1	1	-	-	1
Harassment	-	3	10	3	1
Retaliation against Whistleblowers and Witnesses	-	1	1	1	-
SEAH	2	-	3	2	-
Other Misconduct	-	-	1	-	-
Non-Integrity Violation	1	12	8	3	1
External	-	-	-	1	-
TOTAL	5	37	31	18	9

Table 6: Count of Cases Opened by Type

Type of Cases	2019	2020	2021	2022
Project-Related Reports	4	4	5	6
Abuse	-	-	1‡	-
Collusion	1	-	1	-
Conflict of Interest	-	1	-	1
Corruption	2	1‡	2	1
Fraud	1	2	-	1
Retaliation against Whistleblowers and Witnesses	-	-	-	-
SEAH	-	-	-	1
Other Project-Related Reports	-	-	1	2
Staff Misconduct	25*	16**	3	6
Abuse	8	1	1	4
Collusion	1	-	-	-
Conflict of Interest	6	1	1	-
Fraud	1	1	-	-
Harassment	6	8	1	1
Retaliation against Whistleblowers and Witnesses	1	1	-	-
SEAH	2	3	-	-
Other Misconduct	-	1	-	1
Non-Integrity Violation	12	10	-	-
External	-	1	-	1
TOTAL	41	31	8	13

*One case from 2019 was split into two, which brought the total count of cases to 41 from the previous 40. One was classified as Abuse and another as Conflict of Interest.

**One case from 2020 was reclassified as External.

‡Cases under investigation by an Accredited Entity.

Table 7. Count of Cases Closed by Quarter

Year	Q1	Q2	Q3	Q4	Total
2019	1	1	15	20	37
2020	5	8	9	9	31
2021	1	8	9	-	18
2022	6	3	-	-	9

7. **Management Implication Reporting.** The IIU initiated the issuance of Management Implication Reports (MIRs) 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. Through the use of such tools, the IIU expects to continue its close

interaction with the Secretariat and contribute to enhancing the Fund's risk mitigation and governance capabilities.

8. **Development of the Investigation Manual and Templates.** The IIU has further advanced the development of the Investigation Manual and SEAH interview procedures, with the aim to engage in consultations with relevant divisions of the GCF Secretariat and other Independent Units. The IIU also promulgated and updated several operational forms and templates used in investigation activities, including those related to intake, preliminary assessments, interviewing, and reporting.

2.2 Integrity Policies

9. **Initial Fiduciary Principles and Standards Update.** The IIU proposed 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. In the reporting period, 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.

10. **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 Ethics and Audit Committee of the Board, 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. In the reporting period, the IIU continued consultations with the Secretariat on the updated draft of the SOPs.

11. **Development of the Secondary Documents of the Administrative Remedies and Exclusion (ARE) Policy.** The ARE Policy adopted by the Board in decision B.BM-2021/09 provides for the integrity enforcement regime at the GCF. To operationalise the Policy, the four secondary documents are currently being developed by the IIU in collaboration with the Office of General Counsel, namely:

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

2.3 Integrity Policy Guidance and Implementation Oversight

12. **Provision of Guidance on Policy Implementation.** 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. In the current reporting period, two advisories have been provided on Conflict-of-Interest matters upon request by the Secretariat and a Board-Appointed Official. In addition, four advisories have been provided on legal agreement-related matters.

13. IIU advisories typically cover the interpretation and application of GCF integrity policies in Fund-related Activities pertaining 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 Policies under the GCF Integrity Policy Framework.

2.4 Technical Assistance to Strengthen Capacity of Accredited Entities

14. **Strategy Development on Capacity Building and Technical Assistance.** 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. IIU continued to analyse preliminary insights from the Needs Assessment Survey to help inform a way forward. Moreover, a draft Capacity Building Strategy document has been developed for internal IIU consultations.

15. **Engaging with Accredited Entities.** The IIU continued to engage in important dialogues with counterpart offices of AEs to facilitate cooperative activities ranging from information sharing and joint investigative activities, to providing technical assistance on capacity building. By the end of the reporting period, the IIU has advanced its efforts on establishing cooperation modalities by facilitating negotiations on Memoranda of Understanding (MoUs) with a total of 32 Accredited Entities.

16. **Cooperation with the International Community.** The IIU participated in the annual meeting of the UN Representatives of Investigation Services (UN-RIS) and the 22nd Conference of International Investigators (CII) to strengthen collaboration and cooperation with the investigation offices of various UN entities, multilateral development banks, and other international organisations. This year's edition of the CII was organised by the Inspectorate General of the European Investment Bank in a hybrid format from 31 May to 03 June 2022 in Luxembourg. The IIU appeared on two panel events discussing GCF's work on proactive reviews and on environmental investigations.

- (a) *Peer-to-Peer Learning Alliance.* IIU held a virtual meeting on 28 April with GIZ and Transparency International to discuss updates and action points regarding the peer-to-peer (P2P) learning alliance, a growing community of practice among integrity partners. The group determined a way forward on several initiatives, including the organisation of the P2P Integrity Week, development of the overall P2P partnership framework, and the future of the P2P alliance.

2.5 Integrity Risk Assessment and Proactive Integrity Reviews

17. **Proactive Integrity Reviews (PIRs).** Following the integrity risk assessment and project selection carried out during the previous stage of a PIR, the IIU continued its implementation of the PIRs in collaboration with the Secretariat and implementing partners. With support from the Division of Country Programming (DCP) of the Secretariat, the IIU formally notified the Accredited Entities and National Designated Authorities on the conduct of the review and requested cooperation. The IIU organised kick-off meetings with the relevant AEs to discuss and agree on the purpose, scope, and timeline of PIRs as well as required support.

18. Based on project data provided by AEs and Executing Entities, the IIU embarked on a desk-top review on the areas of project management, financial management, and procurement focusing on integrity aspects. The main goal is to assess whether the fiduciary controls and related integrity policies and procedures are operating effectively at the project level to prevent and detect integrity violations and possibly to also identify best practices for sharing and expanding

capacity development expertise across GCF operations. The IIU will continue the review by the end of June with a view to consult relevant stakeholders in the following month.

2.6 Intelligent Automation and Risk Mitigation

19. **Development of an Integrity Risk Rating Tool.** Using insights from the project selection process for the inaugural PIRs, IIU continued to develop and enhance its Integrity Risk Rating Tool for assessing integrity risks in GCF-funded projects. The tool aims to objectively rank projects by propensity to exhibit integrity violations, both in aggregate and broken down into constituent integrity risk types.

2.7 Awareness Raising, Communications, and Enhancing Operational Efficiencies

20. **Symposium on Supranational Responses to Corruption.** IIU participated in the Symposium on Supranational Responses to Corruption organised by the World Bank Office of Suspension and Debarment on 28-29 April in Vienna. The Deputy Head of IIU represented the Unit and presented a paper on the Integrity Enforcement Regime at the GCF during Session II on the theme of international cooperation in resolution of cross-border corruption.

21. **Transparency International's Report on Integrity in Climate Finance.** On 05 May, the Head of IIU participated in a panel of resource speakers for the formal launching of Transparency International's report entitled, "*Corruption-Free Climate Finance: Strengthening Multilateral Funds*". The report reviews the governance frameworks of five Multilateral Trust Funds, including the GCF. The trust funds were evaluated based on four areas of governance: integrity, accountability, transparency, and methods for assessing policy effectiveness. The event was attended by the Adaptation Fund, Climate Investment Funds, UNDP, the Global Environment Facility, International Monetary Fund, European Investment Bank, GIZ, various government ministries, and civil society organisations.

22. **4th EFCC-NJI Capacity Building Workshop.** Organised by the Economic and Financial Crimes Commission Nigeria and the National Judicial Institute, the Head of IIU was invited to speak at the 4th Capacity Building Workshop for Justices and Judges in Abuja, Nigeria from 23 to 25 May. IIU presented on the panel with the theme, "International Trends and Perspectives in Money Laundering and Terrorism Financing". The Head of IIU highlighted that GCF's framework on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) sets an industry-leading standard amongst public international financial institutions with its robust framework to address risks of ML/FT and detailed risk-based internal controls/procedures to operationalise the Fund's safeguards against ML/FT.

23. **Development of a Good Practice Guide.** IIU advanced the development of the cross-sectoral Good Practice Guide on integrity in climate-financed projects. With expertise of the Knowledge Development Consultant, a concept note has been drafted elaborating on the approach and outline of the Guide. The objective of the Guide is to share good practices and accompanying integrity tools that AEs can incorporate in their own processes and procedures for enhanced integrity, accountability, and transparency across the project cycle. The Guide will provide a collection of best practices, evidence, experiences, and knowledge on promoting integrity and raising awareness in climate finance projects.

24. **Social Media Platforms.** During the reporting period, the IIU social media accounts on LinkedIn and Twitter received 6,882 impressions or views from 30 posts supporting messaging and announcements. Notably, the top unique visitors of the LinkedIn profile are from the following countries: Switzerland (49), United States (13), Italy (10), and other locations (45).

Table 8. Performance of IIU Official Social Media Profiles

	LinkedIn	Twitter
Total Followers	355	49
New Followers	65	2
Number of Posts	15	15
Total Impressions	5 482	1 400
Engagement	225 page views, 81 unique visitors	4.1% engagement (21 clicks, 18 likes)

25. **IIU Website.** The IIU website had 659 unique visitors during this reporting period. The Integrity Policies page is the most popular, with 153 visits. Direct referrals from LinkedIn and direct links accounted for 53.5% of audiences, while search engine referrals accounted for 30%. Users from the United States registered 21.69% of the visits, followed by users from South Korea (18.67%) and Germany (8.13%).

26. **Internal Communications.** With a total view rate of 104, the IIU submitted three informational entries to the 'Green Shift' (GCF intranet). In partnership with the Office of Human Resources (OHR), the IIU presented its second 'Ask IIU Live' virtual brown bag session on 28 April. There were 53 personnel in attendance to learn more about "*Addressing Sexual Harassment at Work*". A video recording was also made available to colleagues who wish to view the session later.

27. **GCF Digital Onboarding Programme.** IIU participated in the kick-off meeting for the GCF Digital Onboarding Programme on 11 May, an ongoing project by Knowledge and Change Management team of the Secretariat. Along with other Independent Units, the IIU provided inputs on the content and structure of the "*Role of the Independent Units Module*". This module shall cover introductory information about the IIU including its mandate and primary functions.

28. **Online Staff Orientation.** On 27 April, IIU participated in the Online Orientation Session for New Staff organised by OHR. The IIU Integrity and Compliance Officer had the opportunity to present a brief overview of the mandate and activities of the Unit as well as to respond to questions from participants.

29. **Staffing.** The following are updates on staff capacity:

- (a) *Team Assistant.* With the conclusion of the recruitment process in May, the IIU has successfully onboarded its Team Assistant on 13 June.
- (b) *GCF Internship Programme.* IIU concluded the recruitment of interns through a final set of panel interviews on 11 and 12 May. A total of four interns were selected (two each for Prevention and Investigation workstreams, and each with a six-month term), with the first cohort scheduled to begin in early July. IIU is presently coordinating with the Office of Human Resources on onboarding requirements and protocols.