![Green Climate Fund logo] **GREEN CLIMATE FUND**

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Provisional agenda item 8

GCF/B.40/Inf.03

30 September 2024

Report on the activities of the Independent Integrity Unit

Summary

This document contains the Report on the Activities of the Independent Integrity Unit for the fortieth meeting of the GCF Board with a reporting period of 8 June to 13 September 2024.

I.   Overview

1.   This report provides an update on the activities of the Independent Integrity Unit (IIU) in implementing its 2024 Work Programme and Budget as approved by the Board[1] during the reporting period of 8 June to 13 September 2024. For a complete list of 2024 activities by the IIU to date, please refer to document GCF/B.40/XX titled "Work Programme and Budget of the Integrity Unit for 2025-2027" (pending publication), also submitted for the Board's consideration at B.40.

II.   IIU Strategic Objectives and their Implementation during the Reporting Period

Strategic Objective 1: To foster a strong culture of integrity by supporting collaboration, and learning, awareness raising, provision of integrity advisories, and the development and implementation of an integrity policy framework.	
2024 Work Programme Item	Actions During the Reporting Period
Foster strategic partnerships and coordination on investigations.	**UNRIS and Other Engagements.** IIU participated in the second remote meeting of the United Nations Representatives of Investigation Services (UNRIS) for 2024. IIU also liaised with personnel/offices responsible for investigations in other GCF partners while responding to allegations of prohibited practices.
Complete the Integrity Policy Framework.	**Administrative Remedies and Exclusion (ARE) Secondary Documents.** IIU advanced internal consultations with the Secretariat on the ARE Guidelines draft that was completed in the previous reporting period. IIU also continued drafting the ARE Procedures and initiated the drafting of the remaining two ARE secondary documents, namely the Integrity Compliance Guidelines and the Settlement Guidelines.
	Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Standard Operating Procedures (SOP). IIU supported the Secretariat during the development and consultation process of the AML/CFT SOP.
	Draft Staff Regulations. IIU engaged in a review of the draft Staff Regulations developed by the Secretariat and provided input and feedback on certain administration of justice matters and relevant integrity/investigations-related provisions.
	Risk Appetite Statement. IIU advised and made key proposals to the Office of Risk Management and Compliance during their development of a Risk Appetite Statement.
	Fiduciary Standards and Minimum Requirements. Based on its updates to the integrity-related provisions in the fiduciary standards that have been undergoing internal review, IIU provided substantive input to the Secretariat during the ongoing

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[1] Board decision B.37/10.

	development of standard minimum requirements for GCF accreditation.
Review the Policy on the Protection of Whistleblowers and Witnesses.	**Policy Evaluation.** IIU has been coordinating with the Secretariat in reviewing and responding to the evaluation conducted by the GCF Independent Evaluation Unit on the Fund's Policy on the Protection of Whistleblowers and Witnesses.
Establish a Knowledge Management Strategy and related IIU Knowledge Product Map.	**Capacity-Building/Knowledge Management Strategy.** IIU has progressed on two key strategic initiatives: the Capacity-Building Strategy and the Knowledge Management Strategy. The Capacity-Building Strategy, which strengthens IIU's operational capacities, has been finalized. The Knowledge Management Strategy has been drafted and is currently under internal review to ensure alignment with IIU's overarching goals.
Organise and hold the 2024 GCF Integrity Forum.	**Integrity Forum Preparations.** IIU has been engaged in developing the agenda and securing participant registration for the upcoming Integrity Forum, which will take place from 5-7 November 2024 in Songdo, South Korea. An IIU intern was also onboarded in late July to assist with the preparations and overall organisation of the Forum. **Pre-Forum Consultations.** The IIU Outreach team held three regional Pre-Forum consultations with DAEs to facilitate feedback on integrity challenges in their organisations and hear input on desired sessions and formats for the Integrity Forum sessions. The input from the DAEs will be used to inform the Forum agenda.
Foster peer-to-peer learning.	**Peer-to-Peer Learning Alliance (P2P-LA).** Preparations are underway to establish an integrity training programme, based on the IIU Capacity-Building Strategy, for different cohorts of DAEs. IIU will also establish a new peer cohort during the 2024 Integrity Forum.
Conduct communications and awareness-raising initiatives.	**IU Board Webinars**. IIU, IRMU and IEU held two joint virtual sessions in June prior to B.39 for Board members to present them with an overview of the roles and functions of each unit and priorities for 2024. **GCF Regional Dialogue with Middle East and North Africa.** IIU led an in-person session at the regional dialogue for Middle East and North Africa covering an introduction to the IIU and an overview of the GCF policy framework and the obligations of GCF Counterparties under these policies. **Social Media Traffic.** During the reporting period, the IIU LinkedIn page received a total of 10,862 post impressions with an engagement rate of 14.1%. The LinkedIn page experienced a 7.5% growth during this time, bringing the total follower count to 1,702. On X, there were 493 tweet impressions during this period. **News Releases.** IIU published 3 news releases on Green Shift over the reporting period, generating 257 views from GCF personnel.

Foster strategic partnerships for integrity prevention to create strategic alliances and share best practices.	**2024 International Anti-Corruption Conference.** IIU joined a panel on tackling corruption in climate action during IACC, the world's premier global forum for bringing together heads of state, civil society, the private sector and more to tackle the increasingly sophisticated challenges posed by corruption. The session emphasised the role of international organisations in this agenda. **G-20 Anti-Corruption Working Group.** IIU participated on a panel focused on sustainable procurement during the G-20 Anti-Corruption Working Group meeting in Paris. The discussion covered the strategic role of public procurement in optimizing domestic resources and safeguarding development and climate finance.

Strategic Objective 2: To be a learning institution and thought leader in climate finance integrity that uses best practices and employs innovative integrity solutions in the detection and mitigation of integrity risks, contributing to the development of robust governance frameworks.	
2024 Work Programme Item	Actions During the Reporting Period
Provide AMA and other contractual advisory and negotiation services.	**Contractual Agreements.** IIU provided advice on investigation and other integrity/anti-corruption clauses and assisted the Secretariat, including on four new negotiations of Accreditation Master Agreements (AMAs) and other contractual agreements.
Issue Management Implication Reports and Project Implication Memoranda.	**Management Implication Reports (MIR) and Project Implication Advisories (PIA).** IIU issued one MIR, making relevant recommendations to the GCF Secretariat on internal control risks or operational issues identified during investigation processes. In addition, IIU issued three PIAs, aimed to inform the Secretariat of project- and counterparty-related integrity risks for further monitoring purposes.
Conduct follow-up actions on current Proactive Integrity Reviews.	**Proactive Integrity Reviews (PIRs).** IIU released reports from two finalised PIRs to the AEs. IIU will engage with the AEs to ensure that there is an implementation plan for implementing the recommendations identified in the reports.
Provide advisory/guidance on integrity-related matters to the Secretariat and external panel members.	**Advisories.** IIU responded to three advisory requests for external panel members and one advisory for the Secretariat.

Strategic Objective 3: To be recognised as a trusted mechanism, empowering stakeholders involved in Fund-related activities and others to report suspected integrity violations, and to undertake professional, impartial, and timely investigations while effectively supporting GCF's administration of justice and ARE framework.	
2024 Work Programme Item	**Actions During the Reporting Period**
Conduct an increasing number of investigations.	**Cases Opened.** IIU opened 16 new cases, including seven cases related to GCF projects and programmes (external) and nine staff misconduct cases (internal). **Cases Closed.** IIU closed a total of 13 cases (six external, six internal cases and one other matter). **Investigations Team Recruitment.** An Investigations Specialist was onboarded by IIU in July 2024.
Develop investigative Internal Operating Procedures and templates.	**Investigation Templates and Forms.** The IIU has updated templates for its investigative activities to facilitate information gathering and Accredited Entity/Delivery Partner response and cooperation toward IIU requests for their investigative findings. **Data Analysis Process.** Following the initiation of the integrity Data Analysis (iDA) group, IIU continued to analyse case trends and internal controls/project integrity risks with a view to enhancing its methodology for reporting to the Board and providing advice to GCF Secretariat and other stakeholders on integrity-related matters. IDA made key contributions to the new reporting format introduced in the 2023 Annual Implementation Report on the Policy on Prohibited Practices. **GCF Risk Dashboard.** IIU has continued its efforts to advise the Secretariat on institutional and project integrity risk reporting through periodic contribution of case statistics to the GCF Risk Dashboard.
Optimise the IIU Case Management System.	**Case Management**. IIU further optimized its Case Management System by engaging with the vendor in reconfiguring the system to be able to accommodate needs of the growing number of investigators in the team. **Databases.** IIU began utilizing its newly acquired company/vendor information database to support investigations into alleged prohibited practices by Counterparties.

Strategic Objective 4: To enable real-time, data- informed decision-making [and action] and to foster a culture of transparency and accountability using technology and innovative mechanisms.	
2024 Work Programme Item	**Actions During the Reporting Period**
Improve project management and	**Standard Operating Procedure.** IIU finalised an internal SOP on management of its Accredited Entity information database,

workstream collaboration.	including a contact list of counterpart integrity offices of AEs. Supporting the goal of optimising efficiencies, IIU aims to draft and issue a suite of internal SOPs to standardise and streamline critical business processes.

Annex I: Investigations Case Statistics*

Table 1. All Opened and Closed Cases (including respective years of closure)

Year Received	Cases Opened	Year Closed					# of Open Cases
		2020	2021	2022	2023	2024	
2020	31	12	14	4	1		-
2021	8		3	1	4		-
2022	31			14	11	3	3
2023	32				15	10	7
2024	36					12	24
Total	**138**	**12**	**17**	**19**	**31**	**25**	**34**

Table 2. Opened and Closed External Cases (including respective years of closure)

Year Received	Cases Opened	Year Closed					# of Open Cases
		2020	2021	2022	2023	2024	
2020	4	-	2	2			-
2021	5		2	-	3		-
2022	13			4	5	2	2
2023	15				5	5	5
2024	14					4	10
Total	**51**	**-**	**4**	**6**	**13**	**11**	**17**

Table 3. Opened and Closed Internal Cases (including respective years of closure)

Year Received	Cases Opened	Year Closed					# of Open Cases
		2020	2021	2022	2023	2024	
2020	16	6	8	1	1		-
2021	3		1	1	1		-
2022	17			9	6	1	1
2023	16				9	5	2
2024	21*					7	14
Total	**73**	**6**	**9**	**11**	**17**	**13**	**17**

* One of the 2024 cases was split into two cases due to multiple implicated persons.

* As of 13 September 2024.

Table 4. Count of Cases Closed by Quarter

Year	Q1	Q2	Q3	Q4	Total
2020	5	8	9	9	**31**
2021	1	8	9	-	**18**
2022	6	3	6	8	**23**
2023	6	6	10	9	**31**
2024	*5*	*7*	*13*	*-*	***25***

Table 5. Count of Cases Opened by Type

Type of Cases	2020	2021	2022	2023	2024
Project-Related Reports	**4**	**5**	**13**	**15**	***14***
Abuse	-	1	2	2	*5*
Collusion	-	1	-	1	-
Conflict of Interest	1	-	3	-	-
Corruption	1	2	1	2	*2*
Fraud	2	-	1	5	*2*
Obstructive practice	-	-	-	-	*1*
SEAH	-	-	1	1	*1*
Other Project-Related Reports	-	1	5	4	*3*
Staff Misconduct	**16**	**3**	**17**	**16**	***21***
Abuse	-	-	1	1	-
Abuse of Authority	1	1	6	6	*2*
Collusion	-	-	1	-	*1*
Corruption	-	-	-	1	*1*
Conflict of Interest	1	1	-	-	*5*
Fraud	1	-	1	1	-
Harassment	8	1	3	5	*9*
Retaliation against Whistleblowers and Witnesses	1	-	-	-	*1*
SEAH	3	-	-	2	-
Other Misconduct	1	-	5	-	*2*
Non-Integrity Violation	**10**	**-**	**-**	**1**	***1***
External	**1**	**-**	**1**	**-**	**-**
TOTAL	**31**	**8**	**31**	**32**	***36***

Table 6: Count of Cases Closed by Type

Type of Cases	2020	2021	2022	2023	2024
Project-Related Reports	**2**	**5**	**6**	**13**	**11**
Abuse	-	-	-	3	2
Collusion	1	-	-	1	-
Conflict of Interest	-	-	1	1	1
Corruption	1	1	1	2	-
Fraud	-	3	-	2	2
SEAH	-	-	1	1	1
Other Project-Related Reports	-	1	3	3	5
Staff Misconduct	**21**	**9**	**15**	**17**	**13**
Abuse	1	-	1	-	-
Abuse of Authority	4	2	4	6	2
Corruption	-	-	-	1	-
Conflict of Interest	1	1	3	-	1
Fraud	-	-	2	1	-
Harassment	10	3	2	6	8
Retaliation against Whistleblowers and Witnesses	1	1	-	-	-
SEAH	3	2	-	1	1
Other Misconduct	1	-	3	2	1
Non-Integrity Violation	**8**	**3**	**1**	**1**	**1**
External	**-**	**1**	**1**	**-**	**-**
TOTAL	**31**	**18**	**23**	**31**	**25**

Annex II: List of Outreach & Capacity Building Events from 8 June to 13 September 2024

Table 7: Outreach & Engagement Activities

Type of Event	Event Title	Date	Audience
In-person Conference	International Anti-Corruption Conference 2024	18-21 June	Global anti-corruption practitioners
In-person Conference	G20 Anti-Corruption Working Group	27 June	Global anti-corruption practitioners
In-person Presentation	**GCF Regional Dialogue for MENA Entities in Morocco**	28 June	Accredited Entities
Virtual Meeting	Integrity Forum Regional Consultations	17-18 July	Direct Access Entities
Virtual Meeting	Introduction to the IUs for Accredited Entities	31 July – 6 August	Accredited Entities

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