![GREEN CLIMATE FUND]

Meeting of the Board
13 – 16 March 2023
Songdo, Incheon, Republic of Korea
Provisional agenda item 8

GCF/B.35/Inf.06

20 February 2023

2022 Annual Report of the Independent Integrity Unit

Summary

This document presents the 2022 Annual Report of the Independent Integrity Unit. The reporting period is from 01 January to 31 December 2022.

Table of Contents

I.   About the Unit

1.   The Independent Integrity Unit (IIU or the Unit) is mandated to investigate allegations of fraud, corruption, and other Prohibited Practices in Fund-related Activities, and to engage in integrity-related oversight, capacity-building, and awareness-raising activities. The IIU's multi-pronged approach to promoting integrity standards across GCF operations and safeguarding the lawful and efficient utilisation of GCF resources includes both investigation and proactive prevention functions, such as:

(a)   Advising Fund divisions and external stakeholders on integrity-related contractual requirements, policies, and procedures;

(b)   Establishing measures to prevent the occurrence of integrity violations, including by conducting Proactive Integrity Reviews (PIRs) and issuing Management Implication Reports (MIRs) on weaknesses identified during investigative activity;

(c)   Acting within its responsibilities in the Third Line of Defence (under the COSO Internal Control Framework adopted by the GCF Board [1]), to provide oversight and recommendations on measures to safeguard GCF resources and reputation;

(d)   Contributing to increased awareness of Prohibited Practices and integrity initiatives among Fund Personnel and external stakeholders;

(e)   Strengthening cooperation with and providing capacity-building assistance to partner entities to bolster the collective fight against fraud, corruption, and other forms of Prohibited Practices;

(f)   Referring complaints to counterpart investigation offices in accordance with contractual agreements, reviewing their investigative findings and the applied remedial actions taken to ensure proper accountability; and

(g)   Referring complaints to the Independent Redress Mechanism (IRM), facilitating information-sharing, and coordinated action..

2.   Key integrity policies and reference documents include:

(a)   The **Terms of Reference of the IIU (IIU ToR)** sets out the scope of work, authority, and core principles of the Unit;

(b)   The **Policy on Prohibited Practices (PPP)** sets out conduct prohibited by GCF;

(c)   The **Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT 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;

(e)   The **Policy on the Protection of Whistleblowers and Witnesses (PPWW)** sets out protocols and principles for the protection of persons who bring allegations and/or provide information of suspected miconduct;

---

[1] Decision B.BM-2015/06 *Administrative Guidelines on the Internal Control Framework and Internal Audit Standards.*

(f) The **Administrative Remedies and Exclusion Policy (ARE Policy)** establishes a regime for remedies and exclusion of individuals and entities engaged in Prohibited Practices related to Fund-related Activities; and

(g) The **Investigation Standards** sets out the principles and general procedures applicable to IIU Investigations. The Standards inform investigation participants, the Subjects of an Investigation, and other stakeholders about the Investigation process that fall under the framework and guiding principles of IIU's mandate, integrity policies [2] and the GCF Human Resources Legal Framework. The Standards reflect generally accepted investigation standards for international organisations as laid down in the *Uniform Principles and Guidelines for Investigations* endorsed by the Conference of International Investigators.[3]

II.   Unit Structure

3.   To facilitate the effective implementation of its mandate, the IIU is comprised of three primary workstreams:

(a)   Analytics and Operations Services;

(b)   Integrity and Anti-Corruption; and

(c)   Prevention Services (consisting of an Integrity Risk Advisory and Compliance function, and an Outreach and Engagement function).
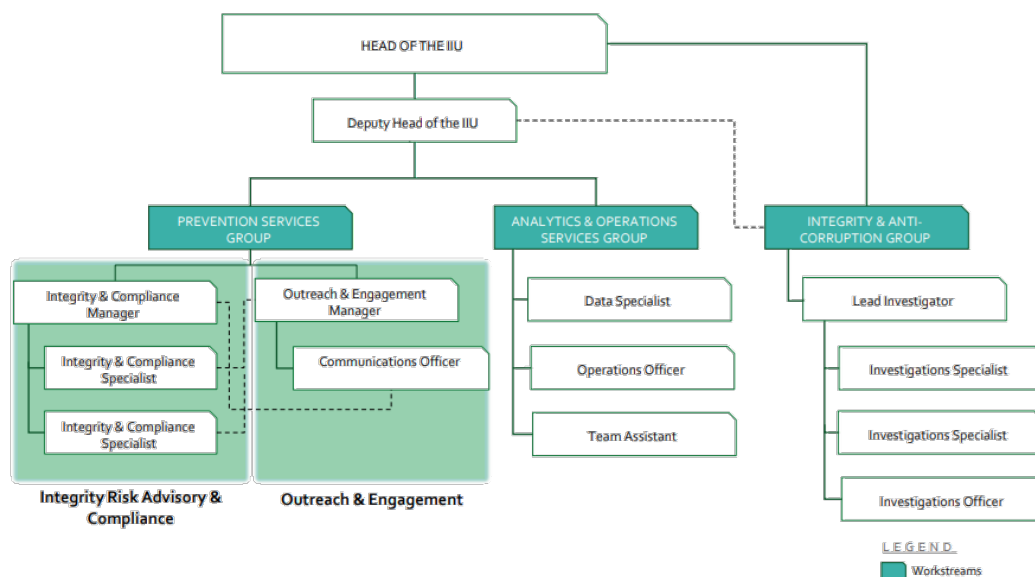
Figure 1. Organogram of the Independent Integrity Unit

---

[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 in June 2009. Available at: http://www.conf-int-investigators.org/uniform-guidelines-for-investigations/

III.   Results at a Glance

4.   Amidst easing COVID-19 restrictions in 2022, the IIU made exceptional progress in implementing the GCF's integrity framework and in expanding its involvement in the Fund's growing risk-management landscape by accelerating the implementation of anti-fraud/anti-corruption initiatives, contributing strategically to project risk mitigation, and enhancing strategic collaboration with partners. Some of the notable achievements include expansion of investigative and preventative capacities, enhancement of procedures for counterparty investigations, development of new risk detection and mitigation methods, advanced training and capacity building for partners, and intelligent automation of operational processes.

5.   The IIU significantly enhanced its investigative capacity and efficiencies through several key initiatives, such as the implementation of the Investigation Standards, development of critical internal operational procedures, launch of a 24/7 multilingual hotline service, and operationalisation of a new and enhanced Case Management System (CMS). It also strengthened its counterparty investigation methodology by introducing an electronic referral and automated tracking mechanism, and by promulgating reporting modules for Accredited Entity or Delivery Partner investigative findings. In addition, the Unit leveraged its investigative tools to amplify its preventive and risk mitigating activity through the issuance of Management Implication Reports (MIRs). These measures enabled the IIU to synergise its investigative and preventive strengths, to bolster the GCF's risk detection and mitigation system, and complete IIU investigations in an effective and timely manner despite a significant increase in the number of cases in 2022 compared to the previous year.

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

7.   The Unit had a productive year in 2022 for capacity building, raising awareness, and engagements. IIU Personnel stepped up participation in speaking engagements, leading with their specific areas of expertise in relation to the event themes. IIU   outreach and engagement activities are significantly increased by organising 14 external and internal conferences, and webinars for stakeholders, Accredited Entities and GCF Personnel. The Unit conducted integrity training and learning activities to raise awareness of integrity policies and to provide capacity-building support to Accredited Entities for the prevention of Prohibited Practices in GCF projects. The Unit initiated the *Ask IIU* series, brownbag sessions for GCF Personnel to raise awareness on fraud prevention, misconduct topics, and lessons learned from investigations. In 2022 Unit organised a total of 3 brownbag sessions for the GCF personnel on topics of workplace harassment, SEAH and investigation standards.

8.   The IIU advanced its efforts in external engagements with international institutions, multilateral organisations and other stakeholders by participating in a number of external events including the international conferences, and joint webinars. The Unit successfully participated in the 2022 UN Climate Change Conference (COP27) in Sharm El Sheikh and organised two official side events to highlight the crucial role of integrity in international climate finance operations.

9.   Table 1 below provides a summary of IIU facts and figures in the implementation of its 2022 Work Programme:

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

IIU Facts and Figures	2021	2022
Total Allegations Received	**8**	**31**
- Staff Misconduct	*3*	*17*
- Project-Related	*5*	*13*
- External	*-*	*1*
Investigation Cases Closed	**18**	**23**
Management Advisories and Implication Reports Completed	**40**	**37**
- Investigation (MIRs)	*-*	*3*
- Prevention (Integrity Advisories)	*40*	*34*
MoUs Concluded	**18**	**2**
Headcount at End of Year	**11**	**14**

IV.   Investigations

10.   The IIU conducts investigations into reports of suspected misconduct and violations of GCF integrity policies by GCF Personnel and Counterparties in Fund-related activities. The IIU accepts such reports from both internal and external sources, including from anonymous complainants. Whistleblowers and witnesses are protected against retaliation when submitting complaints or cooperating with IIU investigations. Also, the IIU is not precluded from initiating its own investigations based on findings from its own operational activities, PIRs, media events, etc.

11.   Upon receipt of a complaint or report of suspected Wrongdoing, the IIU initiates an intake assessment to determine whether the reported matter is within its mandate and to ascertain the requisite next steps. Following this review, the case may be closed, decided for Preliminary Assessment, or referred to the applicable Accredited Entity, Delivery Partner, or other implementing entities. During a Preliminary Assessment, the IIU engages in certain fact-finding and analysis to determine whether the allegations raised are credible, material, and verifiable to warrant a Full Investigation.

4.1   Investigative Activity and Case Statistics

12.   In 2022, the IIU noted a significant increase in reports of suspected Wrongdoing compared to 2021 (in which eight cases were opened). In total, the IIU registered 31 new cases: 13 of which pertained to GCF projects and programmes, 17 to staff misconduct, and one was classified as external. This upsurge in the number of complaints correlated with the continued upscaling in the implementation of approved GCF projects and programmes as well as the gradual return of GCF Personnel to the office after a long hiatus from in-person engagements caused by the COVID-19 pandemic.

13.   Within the reporting period, the IIU closed a total of 23 cases. Of these, six pertained to GCF projects and programmes, 15 were staff misconduct-related, one was external, and one concerned a non-integrity issue.

14.   12 cases were closed following Intake Assessment and seven following Preliminary Assessment, after being deemed to fall outside the IIU's purview, proven to be unsubstantiated and/or referred to other appropriate bodies as warranted.

15. The IIU conducted a Full Investigation of three cases, all of which were substantiated and with the respective investigation reports and associated exhibits submitted to the Executive Director for consideration of appropriate disciplinary and/or remedial measures:

(a) Two of the substantiated cases pertained to abuse of authority, participation in undisclosed external business interests, violation of duty of care, and obstructive practices during an investigation; and

(b) The other substantiated case concerned the theft of personal property and GCF assets.

16. In addition, one case which had been under investigation by an Accredited Entity resulted in the IIU's assessment of the Accredited Entity's findings and investigative work. The relevant report was submitted to the Secretariat for its consideration.

17. Table 2 presents comparative statistics of all open and closed cases from 2018 to 2022, including the year in which the respective cases were closed.

Table 2: All Opened and Closed Cases (including respective years 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	4	1
2021	8				3	1	4‡
2022	31					14	17‡
Total	136	5	37	31	18	23	22

*Of the five closed cases in 2018, two were from the preceding 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 cases which were referred to and/or under assessment/investigation by Accredited Entities/Delivery Partners.

18. Table 3 provides a summary of opened and closed cases pertaining to GCF projects and programmes between 2018 and 2022, including the year in which the respective cases were closed.

Table 3: Opened and Closed Project-Related Cases (including respective years of closure)

Year Received	Cases Opened	Year Closed					# of Open Cases
		2018	2019	2020	2021	2022	
2018	3 (+1 carried over from 2017)	0	3*	0	1		0
2019	4		2	2			0
2020	4			0	2	2	0
2021	5				2	0	3**
2022	13					4	9†
Total	30	0	5	2	5	6	12

*Of the three cases closed in 2019, one was a carry-over case from the preceding year.

**Includes two cases which were referred to and/or under assessment/investigation by an Accredited Entity/Delivery Partner.

†Includes five cases which were referred to and/or under assessment/investigation by an Accredited Entity/Delivery Partner.

19.   Table 4 provides a summary of opened and closed staff misconduct cases from 2018 to 2022 and reflects the year in which the respective cases were closed.

Table 4: Opened and Closed Staff Misconduct Cases (including respective years 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	*17*					9	*8*
Total	**79**	**4**	**20**	**21**	**9**	**15**	**10**

*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.

20.   The succeeding tables provide further summary statistics on IIU cases.

Table 5: Count of Cases Opened by Type

Type of Cases	2019	2020	2021	2022
Project-Related Reports	**4**	**4**	**5**	**13**
Abuse	-	-	1	2
Collusion	1	-	1	-
Conflict of Interest	-	1	-	3
Corruption	2	1	2	1
Fraud	1	2	-	1
Retaliation against Whistleblowers and Witnesses	-	-	-	-
SEAH	-	-	-	1
Other Project-Related Reports	-	-	1	5
Staff Misconduct	**25**	**16**	**3**	**17**
Abuse	1	-	-	1
Abuse of Authority	7	1	1	6
Collusion	1	-	-	1
Conflict of Interest	6	1	1	-
Fraud	1	1	-	1
Harassment	6	8	1	3
Retaliation against Whistleblowers and Witnesses	1	1	-	-

Type of Cases	2019	2020	2021	2022
SEAH	2	3	-	-
Other Misconduct	-	1	-	5
Non-Integrity Violation	**12**	**10**	**-**	**-**
External	**-**	**1**	**-**	**1**
TOTAL	**41**	**31**	**8**	**31**

Table 6: Count of Cases Closed by Type

Type of Cases	2019	2020	2021	2022
Project-Related Reports	**5**	**2**	**5**	**6**
Abuse	-	-	-	-
Collusion	-	1	-	-
Conflict of Interest	-	-	-	1
Corruption	2	1	1	1
Fraud	3	-	3	-
SEAH	-	-	-	1
Other Project-Related Reports	-	-	1	3
Staff Misconduct	**20**	**21**	**9**	**15**
Abuse	-	1	-	1
Abuse of Authority	6	4	2	4
Collusion	1	-	-	-
Conflict of Interest	8	1	1	3
Fraud	1	-	-	2
Harassment	3	10	3	2
Retaliation against Whistleblowers and Witnesses	1	1	1	-
SEAH	-	3	2	-
Other Misconduct	-	1	-	3
Non-Integrity Violation	**12**	**8**	**3**	**1**
External	**-**	**-**	**1**	**1**
TOTAL	**37**	**31**	**18**	**23**

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	6	8	**23**

21.   As indicated in the case statistics above, the IIU had 22 open cases by year-end 2022 (see Table 2), 12 of which pertain to GCF projects and programmes. Three of them were opened in 2021 and nine in 2022. Of 10 staff misconduct cases, one is from 2020, one from 2021, and eight from the current reporting year.

4.2   Investigation Standards, Procedures, and Case Management

22.   **Implementation of the Investigation Standards**. With the Board's approval of the Investigation Standards in December 2021, the IIU continued to apply and operationalise the principles and procedures described in the document in undertaking its investigations. To raise awareness of the Standards and promote adherence amongst internal stakeholders, the IIU organised a virtual session open to all GCF Personnel, where it presented on the scope, process, and general principles of IIU investigations as defined by the Standards.

23.   **Development of Investigation Manual and Templates.** The IIU entered an advanced review stage in its development of an Investigation Manual, an internal guidance document intended to support the Investigation Standards and to articulate relevant concepts and operating procedures in greater detail. The Unit also initiated the development of interview procedures for SEAH, with the aim of engaging in consultations with relevant divisions of the GCF Secretariat in 2023.

24.   In addition, the IIU promulgated or updated several key operational protocols, forms, and templates for use in investigative activities, including those related to intake, evidentiary searches, interviewing, report writing, and confidentiality, while also reviewing and revising previous documents to improve operational capabilities and to streamline the investigation function.

25.   **Full Operationalisation of Case Management System and Online Reporting Platform.** Following successful user acceptance testing and configuration during the previous year, the IIU started to fully implement and utilise its Case Management System (CMS) in 2022 to receive/record complaints and to manage its portfolio of cases. The IIU also launched a new and integrated online reporting platform available on the GCF website, which provides a 24/7 hotline service in multiple languages. This new platform was introduced to all GCF Personnel during a virtual information session organised by the Unit in March 2022.

4.3   Management Implication Reports

26.   **Launch of 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 risks and internal control issues identified during investigation processes. Using such tools, the IIU expects to further its contribution to the GCF's risk management landscape and to continue its close interaction with the Secretariat in enhancing the Fund's governance capabilities.

4.4   Counterparty Processes

27.   **Collection and Review of Investigative Findings**. To facilitate the reporting of investigative findings by Accredited Entities or Delivery Partners to whom cases are referred under relevant provisions of the Accredited Master Agreements (AMAs) or Readiness and Preparatory Support Framework Agreements and to enable the IIU to conduct a proper review of those findings, the Unit developed a standard reporting template that specifies the types of information sought and details a consistent and effective structure and methodology for sharing relevant findings. The IIU also developed an automated tracking system that monitors timelines of referred cases and sends notifications for follow-up at designated intervals.

28.   **Reporting and Assessment of Counterparty-led Investigations**. With the increasing trend of project-related complaints and in line with applicable contractual agreements, the IIU has been referring relevant cases to responsible Accredited Entities and Delivery Partners for

their review and investigation. Accredited Entities and Delivery Partners have a general responsibility to take appropriate measures to investigate allegations of Prohibited Practices and to provide a report to the GCF on the findings of their investigations. In order to facilitate meaningful review and to ensure proper accountability, the IIU has been developing a framework aimed to evaluate not only an Accredited Entity's or Delivery Partner's investigative findings to determine whether relevant allegations are substantiated, but also its capacity and effectiveness in conducting the investigation, which is critical in light of varying features, modalities, and resources amongst different institutions that receive GCF funding. As mentioned in the previous section, the IIU utilised this framework to complete a comprehensive review of a matter that was investigated by an Accredited Entity and provided the IIU's assessment in a relevant report to the Secretariat for its consideration.

V.   Analytics and Fraud Detection

29.   In 2022, the IIU continued to develop its analytics capacity by leveraging on innovation through the deployment of cloud computing tools to support machine learning and intelligent automation. This automation technique has developed into a methodology for risk scoring as a decision support input to Proactive Integrity Reviews (PIRs). PIRs are preventative mechanisms intended to aid in building resilience against integrity violations. They help in identifying gaps or integrity enhancement opportunities in on-going GCF projects.

30.   **Increased Data Integration.** Building on the milestones of the previous year, the IIU continued the development and implementation of data integration in order to provide added data streams to the Integrity Due Diligence Platform in support of project-level due diligence use cases. In 2022, the IIU integrated over seven times as much data as it had done in 2021 (see Table 8 below). Although much of the increased volume was due to incorporating Readiness data for the first time, the size of existing datasets more than doubled since December 2021. Such data integration workloads are pivotal to the production of downstream outputs used in decision support, such as through the IIUs proactive machine learning approach to fraud prevention as well as its analytic outputs such as integrity risk rankings.

Table 8: Comparison of Volume of Data Integrated

Integrations	2021	2022
Documents	9,990	64,458
Sentences	4.3M	38.6M

31.   **Integrity Due Diligence Platform (IDDP)**. In 2022, the IIU made increasing use of its existing data-intensive applications within the IDDP, to inform early warning systems on potential issues or integrity risks. In 2022, the IIU utilized the platform's data lake, its machine learning models, and natural language processing (NLP) pipelines, to produce an updated batch of integrity-focused insights for consumption by stakeholders. A limitation identified in these workflows is that the IIU currently produces such insights annually as decision support for PIR project identification. Therefore, in 2023, the IDDP is expected to be expanded to include additional functionality to deliver in two areas:

(a)   More extensive and detailed human review of red flags identified by the IIU's machine learning models; and

(b)   Incremental data integration of new documents and other data to enable continuous use of the IIU's machine learning throughout the year, in turn enabling more frequent reporting to inform stakeholders and provide decision support on demand using the most recent data available.

32.   **Readiness Programme Review.** The IIU has intended to extend its machine learning approach to cover the Readiness Programme. This was accomplished in 2022 with the incorporation of almost 40,000 Readiness Programme documents and the application of its models to extract millions of sentences used in the identification of potential areas for review.

33.   **New Rankings of the Main Portfolio.** Alongside Readiness work described above, the IIU completed a new set of rankings for the main GCF portfolio. Having seen its input data more than double in size for the main portfolio, the IIU produced over double the number of flags as had been produced in 2021.

34.   **Enhanced Portfolio Quality Reporting**. Due to improvements in the coverage of the IIU's machine learning approach to integrity risk rating, the IIU was able analyse past trends and project potential integrity risk concerns.

35.   **Updated Ranking Audit Trail.** Consistent with the previous year, the IIU renewed its efforts to maintain a fully documented audit trail. Alongside coding notebooks and other technical assets, the audit trail was extended to cover new IIU work on the Readiness Programme by way of supporting documentation intended to offer enhanced disclosure for internal stakeholders across the Fund and continuing to address a disclosure gap identified previously by the Secretariat.[4]

VI.   Prevention

6.1   Integrity Policy Framework

36.   **Administrative Remedies and Exclusion Policy.** In 2022, the IIU continued with the development of the secondary documents of the ARE Policy, which was approved by the Board on 12 May 2021 (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, applies remedies, including exclusion or debarment against parties alleged to have engaged in Prohibited Practices in connection with Fund-related Activities. in collaboration with the Secretariat. The following four secondary documents under development which will operationalise the ARE framework:

(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.

IIU expects to begin the consultation process on the secondary documents of the ARE Policy with the EAC in the first quarter of 2023 for subsequent submission to the Board for consideration and approval.

37.   **Initial Fiduciary Principles and Standards Update**. As mandated by the Board[5], 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

---

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

[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 for the 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."*

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).

38.   In 2022, 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. The updated draft is planned to have the approval of the EAC/Board in the second quarter of 2023 upon clearance by the Secretariat.

39.   **Standard Operating Procedures of the AML/CFT Standards.** The IIU continued to engage with the Secretariat to finalise the Standard Operating Procedures (SOPs) to operationalise the requirements of the 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 2023.

6.2   Proactive Integrity Risk Assessment

40.   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 GCF 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 conducting extensive consultations with the Secretariat on PIR methodology and implementation processes, and in testing and commencing the inaugural PIRs.

41.   **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 potential integrity elements, both in aggregate and broken down into constituent integrity risk types.

42.   **Commencement of the Proactive Integrity Reviews**. Prior to commencing the PIRs, the IIU conducted extensive consultations with relevant Secretariat divisions regarding the methodology and the need to access project data necessary to carry out the PIRs to gain better insights into potential vulnerabilities of the projects under review. In 2022, IIU identified two projects for the PIRs based on intelligent automation tools. These reviews have enabled the IIU to identify opportunities to build capacities and support stakeholders develop resilience against integrity violations. The IIU will work collaboratively with the Secretariat, Accredited Entities, and partners to implement recommended actions and resolve potential constraints.

6.3   Integrity Policy Guidance, Implementation, and Oversight

43.   **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. 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.

44.   The IIU also provided advisories to GCF personnel on matters related to conflicts of interest and gifts policy.

45.   In 2022, a total of 34 advisory requests were received and fulfilled with the following component breakdown:

Table 9: Integrity Advisories

Advisory Type	2021	2022
Conflicts of Interest for Board Members, Board-Appointed Officials, and External Members	9	4
Integrity Safeguards in Contractual Agreements with Counterparties	25	21
Implementation of the GCF Integrity Policy Framework	6	9
Total	**40**	**34**

6.4   Technical Assistance and Capacity Building Support

46.   **Integrity Training and Webinars.** The IIU conducted integrity trainings and learning activities to ensure that all staff, external stakeholders, implementing entities, and intermediaries adhere to the highest integrity standards in Funded Activities.

47.   These events aim to raise awareness of integrity policies and prevention of Prohibited Practices. The IIU organised the webinar, *"Back to Basics: The Integrity Framework of the Green Climate Fund"* on 25 November,2022 for Accredited Entities to introduce GCF integrity policies and their implications in operations and project implementation.

48.   The webinar also presented ways to ensure compliance and the roles and responsibilities of Accredited Entities in Funded Activities. The IIU participated in the GCF Global Programming Conference 2022 and presented at the sessions on the *"Challenges of Direct Access Entities"* and *"Funded Activities: Lessons from Implementation, Adaptive Management, and Evaluation."*

49.   **GCF Personnel Training.** The IIU initiated the *Ask IIU Live* brownbag sessions to inform GCF Personnel on integrity-related matters at the Fund. A total of 3 brownbag sessions were organised in 2022 to raise awareness on fraud prevention, misconduct topics, and lessons learned from investigations, as summarised in the table below:

Table 10: List of Ask IIU Live Sessions

Date	Event Title & Theme	Attendance
15 Apr	Ask IIU Live: Investigation Standards at the IIU	45

28 Apr	Ask IIU Live: Addressing Sexual Harassment at Work *in collaboration with the Office of Human Resources*	53
02 Dec	Ask IIU Live: International Anti-Corruption Day Edition Workplace Harassment: What It is, What to Do, and Where to Go *in collaboration with the Office of Human Resources and the Ombudsperson*	80

50. **Online Training on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment (SEAH).** IIU worked in close collaboration with the Secretariat in designing the structure and resources for the SEAH Training for GCF Personnel. The online learning tool was formally launched in February as a mandatory course for all GCF Personnel to be better informed on their obligations and available protections under the SEAH Policy.

51. **Customised Technical Assistance.** The IIU initiated providing customised technical assistance and guidance in the implementation of Fund-related Activities and provided policy advice to stakeholders in specific countries upon their request and identified need.

52. The pilot engagement to aid in ensuring accountability and effective implementation of GCF-funded activities in Mongolia has commenced with Mongolian counterparts upon request by its National Designated Authority (NDA). Mongolia has a large portfolio in the GCF with four Accredited Entities (2 direct access), 10 funded projects, and eight readiness projects, therefore, strengthening the national capacity and aligning activities with the criteria and requirements of accountability are critical for the GCF. The IIU plans to provide technical assistance and capacity building, and guidance on policy implementation and anti-fraud in project procurement.

53. **Cooperation with Accredited Entities.** In 2022, the IIU continued to engage in important dialogue 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 two additional Accredited Entities, bringing the cumulative total of concluded MoUs to 35. By year-end 2022, the total number of Accredited Entities under MoU negotiations stands at 32.

54. **Peer-to-Peer Learning Alliance Engagement.** IIU continued to engage with the Peer-to-Peer Learning Alliance (P2P-LA) on Climate Finance Integrity, facilitated by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Transparency International. The IIU engaged with GIZ map the following areas: the future peer-learning activities; potential areas for collaboration i.e., capacity building and dissemination of learning, coalition building, and joint development of knowledge products; initiatives related to the theme of maladaptation; and the outlook of the P2P-LA.

55. The IIU participated in the P2P-LA Integrity Week organised by GIZ in partnership with Transparency International, held in person in Berlin from 04 to 06 July 2022. The annual event provided a platform for the IIU to work closer with its peers and provide an update on its work, including recent developments on the GCF Integrity Policy Framework, the IDDP, updated reporting channels, and the outlook of integrity operations at GCF. Responding to growing interest from peers, the IIU also presented its work on machine learning and intelligent automation for integrity risk identification and mitigation, and provided an overview of GCF's Gender Policy.

56. **Strategy Development on Capacity Building and Technical Assistance in Consultation with Accredited Entities and Delivery Partners.** IIU completed development of

the Unit's Capacity Building Strategy and Technical Assistance Programme to catalyse and streamline support actions. The Capacity Building Strategy was informed by the Needs Assessment Survey and is expecting consultations internally as well as with Accredited Entities.

57.   **Events with the GCF Secretariat and Independent Units.** The IIU co-organised the following engagements with the Secretariat and other Independent Units:

Table 11: List of Events with the GCF Secretariat and Independent Units

Date	Events with GCF Secretariat and Independent Units	Host
14 Sep	GCF Global Programming Conference Incheon *Session: Direct Access Entities*	Green Climate Fund
15 Sep	GCF Global Programming Conference Incheon *Session: Funded Activities: Lessons from Implementation, Adaptive Management, and Evaluation*	Green Climate Fund
28 Sep	IEU Learning Talk Songdo/Virtual *A Known Risk is a Good Risk: Risk Management and Early Warning Signals at the GCF*	GCF Independent Evaluation Unit
15 Nov	2022 United Nations Climate Change Conference (COP27) Sharm El-Sheikh/Virtual *Civil Society Partnership: Integrity for Climate Action*	Green Climate Fund, GCF Independent Integrity Unit

6.5   External Engagements and Strategic Partnerships

58.   In 2022, the IIU advanced its efforts in facilitating external engagements and strategic partnerships with international institutions, multilateral organisations, and other stakeholders by actively participating in the international conferences and joint webinars as listed in the table below:

Table 12: IIU Events with Partners

Date	Event with Partners	Host
15 Apr	**Strengthening Integrity: Climate Finance and Adaptation in the Water Sector and Beyond** Virtual	Water Integrity Network, Green Climate Fund
28 Apr	**Symposium on Supranational Responses to Corruption** Vienna/Virtual *(Session III) International Anti-Corruption Investigations "The Integrity Enforcement Regime of the Green Climate Fund"*	World Bank Office of Suspension and Debarment
05 May	**Forum on the Launch of Transparency International's Report, "Corruption-Free Climate Finance: Strengthening Multilateral Funds"** Virtual The report reviews the governance frameworks of five Multilateral Trust Funds, including the GCF. Panel Members: Adaptation Fund, Climate Investment Funds, UNDP, the Global Environment Facility, International Monetary Fund, European Investment Bank, and GIZ	Transparency International
23 May	**4th Economic and Financial Crimes Commission-National Judicial Institute Capacity Building Workshop** Abuja *International Trends and Perspectives in Money Laundering and Terrorism Financing* The IIU highlighted the GCF framework on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) as setting 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.	Nigeria National Judicial Institute
01 Jun	**22nd Conference of International Investigators** Luxembourg / Virtual *(In)dependence, Scope, and Outputs of Proactive Work*	European Investment Bank Inspectorate General
02 Jun	**22nd Conference of International Investigators** Luxembourg / Virtual *Investigating Environmental Projects*	European Investment Bank Inspectorate General
12 Oct	**Opening up Climate Finance to Public Scrutiny** Virtual Explored the importance of climate finance solutions, climate justice, existing inequalities and issues for discussion at the COP27.	Infrastructure Transparency Initiative (CoST), Engineers against Poverty
23 Nov	**Integrity Talk #5: Addressing Integrity and Anti-Corruption in the Water and Sanitation Sectors through Emerging Technologies**	Water Integrity Network

Date	Event with Partners	Host
	Virtual Provided better understanding on how data-driven approaches strengthen transparency, accountability, and anti-corruption.	
07 Dec	**International Anti-Corruption Conference (IACC) 2022** Washington, D.C., USA *Green but Clean –More Integrity for Stronger Climate Resilience*	IACC Secretariat, Transparency International
09 Dec	**2022 Caribbean Conference on Corruption, Compliance, and Cybercrime** Virtual *Corruption and Maladaptation of Climate Financing: Lessons for the Caribbean*	Caribbean Development Bank

59. **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 22nd Conference of International Investigators (CII) hosted by the European Investment Bank on 04 to 06 May. 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.

60. **Meeting with the World Bank Integrity Vice Presidency (East Asia and Pacific Investigations).** The IIU hosted an in-person meeting in Songdo with representatives from the World Bank – Integrity Vice Presidency (WB-INT) East Asia and Pacific Investigations team on 25 March. The engagement was an opportunity for the IIU and WB-INT to identify potential areas for collaboration and learning exchanges, particularly on GCF's proactive approach to managing and addressing integrity risks. Other areas of interest to be explored include the IIU's work on Proactive Integrity Reviews (PIRs) and Integrity Due Diligence Platform (IDDP), and capabilities on digital forensics and analytics.

6.6 Awareness Raising and Communications

61. The Unit had a productive year in 2022 for raising awareness and implementing communication activities. IIU Personnel stepped up participation in speaking engagements, leading with their specific areas of expertise in relation to the event themes. The IIU maintained its focus on the key message of the need for collective action to ensure integrity in climate projects as illustrated by the number of engagements in 2022.

62. **COP27 Engagements.** Participating at the 2022 UN Climate Change Conference (COP27) in Sharm El Sheikh, the IIU mounted a side event to bring civil society and major stakeholders to discuss the challenges of facing climate projects on the ground charting the way towards the development of a Civil Society Organisation (CSO) Partnership Strategy.

Figure 3. Panel speaking during the side event organised by the IIU at COP27

(a) **Side Event: Civil Society Partnership: Integrity in Climate Action.** CSOs play a crucial role in promoting the agenda of transparency and accountability in implementing climate-financed projects. Panellists presented their experiences working with civil society and examine cases that illustrate the value of a multi-stakeholder approach to promoting integrity in climate action. Present on the panel were Yannick Glemarec, GCF Executive Director; Hong-Thuy Paterson, GCF Chief Financial Officer & Deputy Executive Director; Anju Sharma, Global Lead on Locally-Led Adaptation, Global Centre on Adaptation; Binayak Das, Project Coordinator, Tools and Methodologies/Climate Change Lead, Water Integrity Network; and Brice Böhmer, Climate and Environment Lead, Climate Governance Integrity, Transparency International. The session was moderated by Albert Lihalakha, Head of the Independent Integrity Unit a.i.

(b) **Launch of a CSO Partnership for Integrity in Climate Action.** 109 CSO representatives registered for this partnership. The initiative endeavours to start an extensive, long-term programme of integrity initiatives with partner CSOs ranging from capacity-building activities and awareness-raising campaigns to monitoring and reporting of integrity violations. The IIU committed to build a framework of sustained engagement with civil society as its partner in enhancing the capacities of GCF Accredited Entities to address integrity gaps and as a force multiplier in ensuring integrity in GCF projects.

(c) **Launch of the Thematic Brief: "Civil Society Partnership: Integrity in Climate Action."** The overarching objective of the brief is to enhance collaboration with CSOs and strengthen active participation and coordination on the ground; to encourage a framework of coalition-building on integrity matters in climate projects; to foster discourse on the role of CSOs in advancing integrity in climate finance; and to develop a roadmap for long-term IIU and CSO engagement.

(d) **Side Event at Brazil Climate Action Hub.** The IIU participated in the event, 'How Corruption Affects Climate Change' organised by Transparency International Brazil on 17 November at the Brazil Climate Action Hub at COP27. This session discussed the connections between climate and corruption including solutions and synergies between the UN Convention Against Corruption and the Paris Agreement.

63. **Development of Knowledge Products.** IIU, in collaboration with the Water Integrity Network (WIN), continues to develop a knowledge product focusing on integrity in climate-financed projects. The knowledge product is an Integrity Good Practice Handbook intended to serve as a practical guide for stakeholders working towards achieving climate action. The ultimate objective is for GCF Counterparties to proactively ensure that their systems and

processes prevent corrupt practices while focusing on improving overall transparency, accountability, and integrity. IIU continues its work in developing the Handbook, which is set to be launched in the first quarter of 2023. The IIU also published an updated edition of its omnibus brochure in two languages, English and Spanish.

Figure 4. 2022 Omnibus Brochure in Spanish

64. **GCF Digital Onboarding Programme.** IIU participated in the kick-off meeting for the GCF Digital Onboarding Programme in May 2022, 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.

65. **White Papers.** The IIU produced two white papers: *"International Trends and Perspectives in Money Laundering and Terrorism Financing"* presented on 23 May at the 4th Economic and Financial Crimes Commission - National Judicial Institute Capacity Building Workshop in Abuja; and *"Understanding the Integrity Enforcement Regime at the Green Climate Fund"* presented on 28 April at the Symposium on Supranational Responses to Corruption in Vienna.

66. **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 2022 by producing a special blog highlighting the work of women personnel of the IIU. The blog received 215 impressions while the three supporting social media content posted on LinkedIn and Twitter combined tally was 2,095 impressions.

(b) **International Anti-Corruption Day (IACD) 2022 Campaign.** The IIU commemorates IACD in December every year to strengthen collaboration with peers in the wider international community. The campaign culminated on 09 December with a webinar on the theme multistakeholder partnership across sectors. The theme for set by the IIU is *"Our Collective Movement: Corruption Free Climate Action."* Recognising that both climate change and corruption is a multifaceted problem that requires a multilevel solution. For 2022, the IIU mounted three flagship engagements with partners from civil society, development institutions and various stakeholders to drum up the conversation on transparency, accountability and preventing corruption in climate action. The IIU also actively participated in engagements with the Caribbean Development Bank and Transparency International.

Figure 5. Composite Screen Captures of Various Events from IACD 2022

Table 13: International Anti-Corruption Day Event Series

Date	Event Title & Theme	Registration
25 Nov	Accredited Entity Capacity Building Activity Back to Basics: The Integrity Framework of the Green Climate Fund Participants were given a refresher on the GCF Integrity Policy Framework, which includes Prohibited Practices, basic principles in AML/CFT, definition of specific conduct of covered individuals, and the response of GCF in case of allegations. This event was conducted by the IIU Outreach and Engagement Manager.	75 Accredited Entity Personnel
02 Dec	ASK IIU IACD Edition Workplace Harassment: What It is, What to Do, and Where to Go Spearheaded by the IIU Lead Investigator, this webinar addressed issues of harassment and the methods available for Covered Individuals for reporting allegations as well as mechanisms for resolving conflict. This session also features the GCF Ombudsperson and remarks from the Head of HR.	80 GCF Personnel
09 Dec	IACD 2022 Event Our Collective Movement: Corruption-Free Climate Action As the main event for IACD 2022, the panel discussed challenges and emerging trends in preventing corruption, what measures are being taken, and the outlook for accountability in executing climate projects. The event opened with a message from Yannick Glemarec, GCF Executive Director. The invited panelists were Choikhand Janchivlamdan, GCF National Designated Authority from the Ministry of Environment and Tourism of Mongolia; Leopoldo	84 GCF Personnel and external stakeholders

Date	Event Title & Theme	Registration
	Pagotto, Co-Chair of the International Bar Association Anti-Corruption Committee; and Paula Rolffs, Head of "Partnering for Readiness" Project from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The event was moderated by the IIU Outreach and Engagement Manager.	

Table 14: International Anti-Corruption Day Content Performance

Material	Target Audience	Combined Impressions
6 Email Newsletters (Mailchimp)	Internal and External Stakeholders (Accredited Entity Focal Points, Integrity Counterparts)	549
17 Social Media Posts shared via IIU Official Channels (LinkedIn & Twitter)	External Stakeholders (General Public)	4705

67.   **Social Media Channels and Video Assets.** The IIU continued significant growth for its social media assets driven by a community management strategy targeting a niche audience with interest in integrity for climate finance.

Table 15: IIU Social Media Channels

Platform	Impressions[6]		% Change
	2021	2022	
LinkedIn - https://www.linkedin.com/company/gcfintegrity	6317	39078	519%
YouTube - https://www.youtube.com/@GCFintegrity	267	6896	2483%
Twitter - https://twitter.com/GCFintegrity	5,400	9230	71%

Table 16: Video Assets Performance (LinkedIn and YouTube)

Upload Date	Video Title & Run Time	Combined Impressions[7]
02 May	Session 3: International Anti-Corruption Investigations | Supranational Responses to Corruption (1:43:25)	211
21 Nov	[COP27 Event] Civil Society Partnership: Integrity for Climate Action (1:13:58)	869
09 Dec	Our Collective Movement: Corruption-Free Climate Action (1:03:22)	1545
10 Dec	Maladaptation, Climate Action, and Lessons for the Caribbean #3Cs2022 (12:55)	3027
14 Dec	[Webinar] Integrity Framework of the Green Climate Fund (52:12)	407
Total		**5848**

68.   **Green Shift Intranet.** The IIU actively contributed news and updates to the internal information platform for GCF Personnel.

---

[6] Each platform has a specific definition of *Impressions* as an indicator. YouTube refers to it as the number of times a certain video's thumbnail was shown to viewers. LinkedIn defines it as views when a certain post is onscreen or clicked by a user. Twitter considers impressions as the number of times users viewed a particular tweet.

Table 17: 2022 IIU Entries for GCF Green Shift

Date	Title	Views
14 Mar	Webinar on Integrity for Water Sector Climate Adaptation Projects	32
16 Mar	Meet women making a difference in climate action accountability	139
06 Apr	VIDEO: Corruption and Climate Finance	34
26 Apr	IIU to speak at Symposium on Supranational Responses to Corruption	40
08 Jun	IIU discuss environmental investigations, proactive reviews at 2022 Conference of International Investigators	50
22 Jun	VIDEO: Sexual Harassment in the Workplace	68
03 Oct	Join the IIU for "Opening Up Climate Finance to Public Scrutiny" on 12 October	41
25 Oct	Webinar on Integrity for Water Sector Climate Adaptation Projects	32
01 Nov	IIU Introduces its new ad interim Head, Albert Lihalakha	116
14 Nov	IIU to launch integrity-led civil society partnership at COP27	37
17 Nov	IIU to join effects of corruption on climate change panel at COP27 Brazil Hub	37
23 Nov	Join the IIU in a webinar on addressing integrity through emerging technologies on 23 November	38
30 Nov	International Anti-Corruption Day 2022 at GCF	26
08 Dec	[Event] Our Collective Movement: Corruption-Free Climate Action	71
20 Dec	IACD 2022 at GCF Wrap Up	53
Total		***814***

69.   **IIU Official Website and Corporate.** Visitors referred to the website to view policies, learn about the IIU, and read updates on campaigns and events (https:\\iiu.greenclimate.fund). The IIU brand mark was also updated, and a visual guideline was produced.

Table 18: IIU Website Statistics

Indicators	2021	2022	% Change
Users (Visitors by URL)	4026	3525	-12%
Sessions (Number of Visits)	6479	5358	-17%
Page Views	10837	10305	-5%

VII.   Operations Services

7.1   Staffing

70.   Over the course of 2022, IIU continued to build its staff capacity while navigating the new realities imposed by the COVID-19 pandemic. By year-end, the Unit increased its headcount from the previous year – a diverse and capable team of 14, comprising of ten staff members, one full-time consultant, one part-time consultant, and two interns.

71.   IIU welcomed a *Lead Investigator* in April 2022 who oversees the conduct of IIU investigations into reports of Prohibited Practices and Staff misconduct. The Lead Investigator ensures that the IIU responds effectively to allegations of Staff misconduct and any reports of Prohibited Practices in GCF operations and Funded-related Activities.

72.   The IIU also onboarded an *Investigation Specialist* in November 2022 to conduct and advise on investigations into alleged staff misconduct and violations of integrity policies in GCF operations and funded activities. The Investigation Specialist provides insights/inputs to IIU reports, policy matters, procedures, and knowledge products.

73.   An *Integrity and Compliance Specialist* joined the IIU in November 2022 to support developing and conducting integrity risk assessments including proactive integrity reviews of GCF projects and programmes. The Integrity and Compliance Specialist provides advisory services to ensure adherence to GCF integrity policies, rules, and procedures.

74.   The IIU has successfully onboarded a *Team Assistant* in June 2022 to support timely implementation of programmes and effective management of resources, including in the areas of procurement, budget administration, client coordination, and human resources.

75.   IIU concluded the recruitment of interns as part of GCF Internship Programme and 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 onboarded in early July 2022 and successfully completed the six-month term internship in December 2022.

76.   IIU commenced the recruitment process for a *Communication Officer* expected to be concluded in February 2022.

7.2   Budget Execution

77.   By year-end 2022, the IIU's budget utilisation rate was 92% following implementation of its 2022 Work Programme. Table 19 illustrates the full budget execution of the IIU, including specific budget lines, for the year 2022.

78.   Notwithstanding the gradual easing of COVID-19 restrictions worldwide, the ongoing international public health crisis has continued to impact IIU activities and programmes, specifically in the implementation of outreach and capacity building initiatives. The Unit's budget execution in 2022 nonetheless demonstrates the IIU's commitment to effecting its mandate in the midst of COVID-19 pandemic limitations and considerations.

79.   IIU continued to build its staff capacity, with recruitment progressing significantly albeit in the latter part of 2022. This has resulted in the engagement of individual consultancy services in the first half of the year to help meet requirements in the short term. Moreover, the IIU participated in the GCF Internship Programme for the first time, with the first cohort of interns onboarded in July 2022.

80.   In 2022, IIU observed an increase in the utilisation of its Travel budget line as in-person engagements resumed with the easing of restrictions. This enabled the IIU to partially operationalise its in-person outreach activities and strategically represent the Unit in select forums, including the GCF Board Meeting in Antigua, the 22nd Conference of International Investigators in Luxembourg, and COP27 in Sharm El-Sheikh, among others.

81.   IIU also observed a significant increase in the execution of its Professional Services budget line. This is due to the engagement of a consulting firm to provide technical services for the implementation of the pilot PIRs conducted by the IIU in 2022. The IIU has established a roster of subject experts to support the implementation of its PIRs, a regular component of the Unit's annual Work Programme.

82.   In terms of the increase in the Communication and Outreach budget line, the IIU upscaled its online capabilities to support awareness raising and communication initiatives in 2022. The Unit organised a series of communications-related campaigns and heavily relied on remote modalities. IIU procured media production services for its communication/outreach requirements, and invested in technical implementations, virtual environments, and hybrid modalities to ensure continued performance of its overall mandate.

83.   IIU continued to invest in innovation in risk detection and mitigation by developing and enhancing its analytics capabilities and the Integrity Due Diligence Platform (IDDP). The ICT

budget line was utilised to procure specialised investigations software and tools that support IIU's data analytics and intelligent automation work.

84. The Shared Cost Allocation budget line includes shared costs as determined by the Secretariat and in consultation with the Independent Units. These shared costs, relative to the staff headcount, include allocations for standard ICT services and business applications, standard office equipment, general utility costs and supplies, applicable insurances, and depreciation.

Table 19: IIU Budget Execution in the Year 2022

		2022 Approved Budget (USD)	Actual Expenditures in 2022[7] (USD)	% Spent
1	**Staff Costs**			
1.1	*Full-Time Staff*	2 413 515	2 005 304	83%
1.2	*Consultants and Interns*	96 575	218 888	227%
	Sub-Total (1)	**2 510 090**	**2 224 193**	**89%**
2	**Travel**			
2.1	*General*	13 560	80 365	593%
	Sub-Total (2)	**13 560**	**80 365**	**593%**
3	**Contractual Services**			
3.1	*Professional Services*	50 000	106 511	213%
3.2	*Communication & Outreach (Brand Promotion)*	7 000	10 398	149%
3.3	*Other Operating Costs*	43 300	1 594	4%
3.4	*Information and Communication Technology*	129 454	85 931	66%
	Sub-Total (3)	**229 754**	**204 434**	**89%**
	Total	**2 753 404**	**2 508 992**	**91%**
4	**Shared Cost Allocation**			
4.1	*Shared Cost Allocation*	349 506	330 863	95%
	Sub-Total (4)	**349 506**	**330 863**	**95%**
	Grand Total (1+2+3+4)	**3 102 910**	**2 839 855**	**92%**

——————

[7] As of 31 December 2022.