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Independent Integrity Unit (IIU)

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Overview of Independent Integrity Unit (IIU)

MANDATE of IIU

IIU established by the Board to:

- investigate allegations of fraud & corruption in Fund-related activities, and
- ensure all staff, external stakeholders, implementing entities & intermediaries adhere to the highest integrity standards.

IIU is independent of the Secretariat but works closely with it.



Overview of Independent Integrity Unit (IIU)

Work streams: PREVENTION and INVESTIGATION

Prevention: reduce opportunities for integrity violations in the Fund's activities by recommending improvements to:

① *policies* ② *procedures* ③ *controls*

Investigation: investigate complaints and allegations against staff of the Fund or persons associated with the Fund, related to:

① *fraud* ② *corruption* ③ *collusion* ④ *coercion* ⑤ *obstruction* ⑥ *abuse*
⑦ *conflict of interest* ⑧ *retaliation against whistleblowers*



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Overview of Independent Integrity Unit (IIU)

AML/CFT Policy

- GCF is committed to ensuring that its resources are not used for money-laundering and terrorist financing;
- AML/CFT Policy provides important safeguards based on universal KYC principles;
- Policy is based on universal principles in UN conventions and FATF Recommendations;
- Obligation is imposed on all recipients of GCF resources.



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Overview of Independent Integrity Unit (IIU)

PROHIBITED PRACTICES Policy

- Commission of integrity violations threatens the transparent, accountable and efficient use of GCF resources;
- Reputation of the Fund is contingent on the degree of transparency and accountability;
- Sets out GCF's zero-tolerance for corruption and other integrity violations;
- Adopts universal definitions of fraud, corruption, collusion, coercion and obstruction;
- Accredited entities required to have equivalent prohibitions.



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WHISTLEBLOWER Protection

- Whistleblowing is a key element of the accountability framework;
- GCF is committed to the protection of *bona fide* whistleblowers and witnesses against retaliation;
- Anyone with information of the occurrence of integrity violation is encouraged to report to the IIU;
- IIU guarantees confidentiality and secure use of the information provided.



Overview of Independent Integrity Unit (IIU)

RELATIONSHIP with External Entities

4. The IIU will establish close relationships with the integrity units of the intermediaries.

15(k). ...promoting awareness of the Fund's integrity standards, including to all implementing entities and intermediaries, and executing entities.

17. IIU must closely cooperate with the relevant departments or units of implementing entities and intermediaries and... seek to strengthen (their) capacities.



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Overview of Independent Integrity Unit (IIU)

Duty to COOPERATE

Under Accreditation Master Agreements and Readiness Grant Agreements all Counterparties shall take timely and appropriate measures to:

- **promptly inform** the Fund of allegations of Prohibited Practices in connection with a Fund-related activity;
- **cooperate fully** with the Fund in any Fund-related investigation.



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Events of DEFAULT

A Counterparty shall be in default where:

- Its representative has **engaged in a Prohibited Practice**, and the Counterparty has **not taken timely and appropriate action**, satisfactory to the Fund, to address it;
- A **final decision is made by a duly authorized adjudicative body** establishing that the Counterparty (or any of its directors, officers or employees) has engaged in a Prohibited Practice.



Overview of Independent Integrity Unit (IIU)

Remedies for DEFAULT

The Fund may exercise one or more of the following rights under this Agreement:

- Require the Counterparty to remedy such default within a reasonable time;
- Terminate the agreement;
- Cease the consideration of any further funding proposal;
- Suspend any further payments;
- Be entitled to refund or restitution;
- Claim for financial damages.



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Overview of Independent Integrity Unit (IIU)

IIU SUPPORT to Counterparties

IIU will provide:

- What? information, support or technical assistance
- To who? National Designated Authorities, Focal Points, Direct Access Entities and Accredited Entities
- Why? to meet the Fund's integrity and fiduciary control standards.



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PARTNERSHIPS with IIU

IIU is looking to partner with:

- National entities
- Civil Society Organizations
- Counterpart offices in Direct Access and Accredited Entities
- Delivery partners
- Regional Coordinators



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Overview of Independent Integrity Unit (IIU)

WHERE To Report or Make Enquiries

- Telephone: +82.32.458.6155
- Email: integrity@gcfund.org
- Website: greenclimate.fund/independent-integrity-unit
- Mail: Independent Integrity Unit
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