



**GREEN
CLIMATE
FUND**

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Policy on Prohibited Practices

Summary

This document proposes a Green Climate Fund (GCF) Policy on Prohibited Practices in accordance with Board Decisions (Decisions B.12/31, para. (i), B.14/01, para. (e), and B.15/13).

This is in accordance with the Terms of Reference of the Independent Integrity Unit (IIU), and with Board Decision B.15/20, which requires the IIU to develop policies and procedures that define and prescribe integrity violations in the operations of the GCF.

The purpose of this Policy is to establish the specific conduct and activities which are prohibited by the Fund; the obligations of Covered Individuals and Counterparties to uphold the highest standards of integrity and to avoid prohibited practices; and the actions which the GCF may take when Prohibited Practices occur in Fund-related activities.

I. Introduction

1. Prohibited practices threaten the transparent, accountable and efficient use of Green Climate Fund (GCF or Fund) resources, and ultimately the accomplishment of the overall GCF goal to deliver financing for projects that address the threats of climate change.
2. The Board of the GCF has been unanimous in accepting that it is essential for the achievement of the objectives of GCF financing that adequate policy safeguards be instituted to identify, mitigate and redress integrity violations in the operations of the Fund. Primary amongst these policy safeguards is the Interim Policy on Prohibited Practices adopted by the Board pursuant to Decision B.12/31, paragraph (h) (the Interim Policy). This is referenced in all agreements with accredited entities and other implementing entities, as well as in regulations governing the conduct of staff members of the Fund and other associated persons.
3. While the credibility of the GCF depends on its ability to effectively finance projects to address and mitigate the most urgent challenges of the effects of climate change by delivering the funding for mitigation and adaptation projects, the reputation of the Fund is contingent on the degree of transparency and accountability it shows in the management of the resources entrusted to it.
4. This Policy replaces the Interim Policy and seeks to set out the Fund's zero-tolerance for Prohibited Practices as defined in the Policy. It also defines the obligations of GCF Personnel and counterparties that are involved in GCF operations and Fund-related activities and articulates the actions to be taken by the Fund to address any integrity violations.

II. Consistency with International Best Practices

5. The Policy sets out provisions that are consistent with international best practices in particular and considers the provisions of relevant international instruments related to anti-corruption, such as the United Nations Convention against Corruption.¹

III. Investigation Roles and Procedures

6. The Policy recognises the roles of the GCF's Independent Integrity Unit (IIU) and of counterpart offices of accredited entities and intermediaries in preventing and investigating Prohibited Practices and the potential need for close cooperation and collaborations between the IIU and those offices.
7. The IIU shall conduct investigations of reports of suspected Wrongdoing in accordance with the Fund's investigative standards.

¹ United Nations Convention against Corruption <https://www.unodc.org/unodc/en/treaties/CAC/>;
International Financial Institutions Anti-corruption Task Force's Uniform Framework for Preventing and Combating Fraud and Corruption <https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/30716700-EN-UNIFORM-FRAMEWORK-FOR-COMBATTING-FRAUD-V6.PDF>
Conference of International Investigators Uniform Principles and Guidelines for Investigations 2nd edition
http://www.conf-int-investigators.org/?page_id=13;

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.21/26 titled “Policy on Prohibited Practices”,

- (a) Adopts the Policy on Prohibited Practices set out in annex II to this document to replace the Interim Policy on Prohibited Practices adopted by the Board pursuant to Decision B.12/31, paragraph (h);
- (b) Further requests the IIU, in consultation with the Secretariat, to develop policies on sanctions and exclusions for the consideration by the Board in 2019;
- (c) Authorizes the Ethics and Audit Committee of the Board to address issues that may arise in the implementation of this policy; and
- (d) Requests the IIU to provide a brief report on experiences and lessons learnt to the Board after one or two years as a basis for a wider review of the policies.

Annex II: Policy on Prohibited Practices

I. Introduction

1. The objective of the Green Climate Fund (GCF or Fund) is to contribute to the achievement of the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC). In the context of sustainable development, the GCF will promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, considering the needs of those developing countries particularly vulnerable to the adverse effects of climate change.
2. The GCF maintains a zero-tolerance policy toward Prohibited Practices and is strongly committed to preventing and combating Prohibited Practices. The GCF expects individuals and entities involved in Fund-related Activities (as defined below) to observe the highest standards of integrity, to refrain from directly or indirectly, condoning, encouraging, participating in or engaging in Prohibited Practices and to take measures, where and when appropriate, to prevent and combat Prohibited Practices regarding all Fund-related Activities.
3. The GCF shall take all reasonable steps to ensure that all resources and assets entrusted to it are managed with the highest levels of integrity, and to the fullest extent possible, free from prohibited practices.
4. The GCF recognizes established international practices and policies with respect to the prohibition of Prohibited Practices, and particularly the principles in the United Nations' Convention against Corruption and other instruments related thereto.

II. Purpose

5. The purpose of this Policy on Prohibited Practices (Policy) is to establish the specific conduct and activities which are prohibited by the GCF, the obligations of Covered Individuals and Counterparties to uphold the highest standards of integrity and to refrain from Prohibited Practices, and the actions which the GCF may take when prohibited practices are alleged to have occurred in Fund-related Activities.

III. Definitions

For the purposes of this Policy the following terms shall have the meaning set out below:

- (a) "AML/CFT Policy" means the GCF's Anti-Money Laundering and Countering the Financing of Terrorism Policy adopted by the Board by Decision B.18/10 and set out in Annex XIV thereto.
- (b) "Board" means Board of the Green Climate Fund.
- (c) "Board Appointed Official" means the Executive Director, the Head of the Independent Evaluation Unit, the Head of the Independent Integrity Unit and the Head of the Independent Redress Mechanism, who are appointed by the Board.
- (d) "Conflict of interest" means any situation in which a party or any of its staff involved in the relevant decision-making process has interests that could, or could be perceived to, improperly influence the performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations.
- (e) "Counterparty" means any party that contributes to, executes, implements, bids for, or in any way participates in, Fund-related Activities, including receiving a grant, loan or

other form of financing or support from the Fund. Counterparties include a contributor, accredited entity, direct access entity, executing entity, delivery partner, fiscal agent, financial intermediary, vendor and (for the purpose of this policy) any entity within, or to which the Secretariat directly disburses GCF resources, including for the Readiness and Preparatory Support Programme.

- (f) “Covered Individual” means GCF Personnel, Co-Chairs of the Board, Board and Alternate Members, their Advisers, Board-Appointed Officials and External Members.
- (g) “Executing Entity” means any entity, through which GCF funds are channelled or used for the purposes of a Fund-related Activity or part thereof, and/or any entity that executes, carries out or implements a Fund-related Activity, or any part thereof.
- (h) “External Members” means an expert appointed by the Board, or procured, selected and contracted by the Secretariat on behalf of the Fund and serving as an external member on a panel or group established by the Board.
- (i) “Fund-related Activity” means any activity which is financed, administered or supported by the GCF, either with its own resources or those of others, or any activity that materially affects or may materially affect or otherwise be relevant to the Fund.
- (j) “GCF Personnel” means any GCF Staff and any other individual contracted and/or engaged by the GCF and engaged by the GCF to perform official functions for the GCF, excluding Board Appointed Officials and External Members².
- (k) “Host Country” means the country or countries in which a Fund-related Activity is to be, is being, or has been, implemented;
- (l) “Human Resources Legal Framework” means all policies, instructions, procedures and guidance governing or instructing the conduct of GCF Staff.
- (m) “Misconduct” means specific acts of Misconduct by GCF Staff as provided by the Human Resources Legal Framework, and by Board Members, Alternative Board Members, their Advisers, External Members of GCF Panels and Groups, Board Appointed Officials, and the Executive Director as provided in the respective GCF policies on ethics and conflicts of interest.³
- (n) “Prohibited Practices” mean any of the following practices in relation to Fund-related Activities:
 - (i) Corruption or Corrupt practice means the promise, offering, giving, receiving, or soliciting, directly or indirectly, anything of value (including but not limited to gifts, gratuities, entertainments, favours, invitations, and benefits of any kind) or any undue advantage, or any act or omission that involves the abuse of authority or functions, for the purpose of influencing or to causing to influence improperly the actions of another party, or for the purpose of obtaining an undue advantage for oneself or for another party.
 - (ii) Fraud or Fraudulent practice means any act or omission, including misrepresentation or concealing material fact, that knowingly or recklessly misleads, or attempts to mislead, a party for the purpose of obtaining a financial

² The categories of “trainees” and “volunteers” are not currently within the GCF legal framework. Should new categories of personnel be introduced in the future, these would be considered as “individuals contracted by the GCF and engaged by the GCF to perform Fund-related Activities.”

³ These are: Policy on Ethics and Conflicts of Interest for the Board of the Green Climate Fund (Decision B.09/03) Policy on Ethics and Conflicts of Interest for External Members of the Green Climate Fund Panels and Groups (Decision B.10/13); Policy on Ethics and Conflicts of Interest for the Executive Director of the Green Climate Fund (Decision B.10/13), Policy on Ethics and Conflicts of Interest for Board Appointed Officials (Decision B.13/27).

or other undue advantage for oneself or for a third party, or to avoid an obligation.

- (o) Coercion or Coercive practice means the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party for the purpose of improperly influencing the actions of a party.
- (p) Collusion or Collusive practice means an arrangement between two or more parties designed to achieve an improper purpose, including for the purpose of improperly influencing the actions of another party.
- (q) Obstructive practice includes:
 - (i) Deliberately destroying, falsifying, altering, concealing, or unreasonably withholding evidence or other requested information, documents or records, which are material to a Fund investigation;
 - (ii) Making false statements to investigators in order to materially impede a Fund investigation;
 - (iii) Threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to a Fund investigation or from pursuing a Fund investigation; or
 - (iv) Materially impeding the Fund's contractual rights of audit or access to information.
- (r) Abuse means theft, misappropriation, waste or improper use of property or assets related to a Fund-related Activity, either committed intentionally or through reckless disregard.
- (s) "Money Laundering"⁴ is as more clearly defined in Clause 12(g) of the GCF AML/CFT Policy and refers to: (a) the conversion or transfer of property, knowing that such property is derived from the crime, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of the crime to evade the legal consequences of his or her actions; (b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of or rights with respect to property, knowing such property is derived from crime; or (c) the acquisition, possession or use of property knowing at the time of receipt such property was derived from a criminal offence.
- (t) "Retaliation against Whistleblowers or Witnesses" means any detrimental act, direct or indirect, recommended, threatened or taken against a Whistleblower or Witness (as such terms are defined in the relevant GCF policy), or person associated with a Whistleblower or Witness, because of his or her report of suspected Wrongdoing or cooperation with a Fund investigation by the Whistle-blower or Witness.
- (u) "Financing of Terrorism" or "Terrorist Financing" is as more clearly defined in Clause 12(f) of the GCF AML/CFT Policy, and means the commission of any offence as set out in Article 2 of the International Convention for the Suppression of the Financing of Terrorism.⁵
- (v) "Staff" means all persons appointed to a post in GCF under a letter of appointment (individually, a "Staff member").
- (w) "Subsidiary Agreement" means any agreement entered into by an accredited entity and an Executing Entity for the purpose of implementing a Fund-related Activity.

⁴ Based on definitions used in the Interim Policy, as elaborated in the AML/CFT policy (Decision B.18/10).

⁵ Id.

- (x) “Wrongdoing” means conduct that violates GCF policies or which involves significant risk to the GCF, because it is harmful to its interests, reputation, operations or governance. Wrongdoing includes but is not limited to Misconduct, Prohibited Practices and Conflicts of Interest.

IV. Scope

6. This Policy shall apply to:
- (a) The conduct of all Covered Individuals in connection with Fund-related Activities;
 - (b) The conduct or practices of any Counterparty in connection with Fund-related Activities, and where applicable, in accordance with the terms of any legal agreement or contract concluded between the Counterparty and the Fund.

V. Guiding Principles

7. The GCF maintains a zero-tolerance policy of Prohibited Practices.
8. Covered Individuals and Counterparties shall maintain the highest level of integrity, accountability and efficiency, refrain from directly or indirectly condoning, encouraging, participating or engaging in Prohibited Practices in any Fund-related Activity and take action to deter, mitigate and/or correct Conflicts of Interest.
9. Any report of suspected Wrongdoing shall be made promptly to the Independent Integrity Unit (IIU) and investigated in accordance with the requirements and procedures set out in the GCF’s Policy on Whistleblower and Witness Protection, the IIU’s investigation standards and any other relevant GCF policies, procedures or guidelines.
10. The IIU shall take proactive measures including proactive integrity reviews to ensure that Prohibited Practices are prevented in Fund-related Activities and shall investigate reports of suspected Prohibited Practices to determine the veracity of the report and to recommend disciplinary/corrective or mitigation measures, in accordance with its Terms of Reference and other policies standards and procedures of the Fund.
11. The GCF may impose sanctions or disciplinary/corrective measures, as appropriate, against any person who or entity which violates this Policy.
12. The GCF is entitled to seek the refund or restitution of GCF proceeds and other GCF funds to the extent such funds have been improperly used by the Covered Individual or Counterparty in a Fund -related Activity.

VI. Obligations of Covered Individuals

13. All Covered Individuals shall refrain from directly or indirectly condoning, encouraging, participating in or engaging in Prohibited Practices. Covered Individuals have a responsibility to avoid situations and activities that might reflect adversely on the GCF, compromise its operations, or lead to real or perceived Conflicts of Interest, as provided in the Human Resources Legal Framework, relevant contractual agreement, or applicable ethics and conflicts of interest policy.
14. Covered Individuals shall not encourage any person or entity to violate this Policy.
15. As provided in the Policy on Whistleblower and Witness Protection and other relevant policies and procedures of the Fund, Covered Individuals shall report suspected Wrongdoing in relation to any Fund-related Activity.

16. A breach of, or failure to observe, the obligations set out in the paragraphs 30 to 32 by Co-Chairs of the Board, Board Members, Alternative Board Members, their Advisers, Board Appointed Officials, External Members of GCF Groups and Panels, the Executive Director, or GCF Staff shall amount to Misconduct, while for other GCF Personnel it shall amount to a breach of contract.

VII. Obligations of Counterparties

17. In any Fund-related Activity, Counterparties shall maintain the highest levels of integrity, accountability and efficiency, refrain from directly or indirectly condoning, encouraging, participating or engaging in Prohibited Practices, and take action to deter, mitigate and correct Conflicts of Interest.

18. In accordance with relevant GCF policies, standards and procedures, and subject to the terms of legal agreements concluded between a Counterparty and the GCF, Counterparties shall take timely and appropriate measures to:

- (a) Ensure that Fund-related Activities are carried out in accordance with this Policy;
- (b) Promptly disclose to the GCF any real or perceived Conflicts of Interest in relation to a Fund-related Activity;
- (c) Prevent Prohibited Practices from occurring in relation to a Fund-related Activity, including (but not limited to) adopting, implementing, and enforcing appropriate fiduciary and administrative practices and institutional arrangements to ensure that the Fund proceeds in the form of a grant, loan, contract award, or other forms of financing or support are used only for the purposes for which such financing or support was granted;
- (d) Promptly inform the GCF of Prohibited Practices found, suspected or alleged in connection with a Fund-related Activity;
- (e) Investigate any occurrence of, or report of suspected Prohibited Practices in a Fund-related Activity and report preliminary and final findings of investigations to the GCF;
- (f) To the satisfaction of the GCF, respond to, mitigate, and remedy any Prohibited Practice that is found to have occurred in a Fund-related Activity and take actions to prevent the re-occurrence of such Prohibited Practice;
- (g) Cooperate fully with the GCF in any IUU investigation into reports of suspected Prohibited Practices in connection with a Fund-related Activity, and take all appropriate measures to ensure the full cooperation of relevant persons and entities subject to such investigation, including, in each case, allowing the Fund to meet with relevant persons and to inspect all their relevant accounts, records and other documents relating to the GCF-related Activities and have them audited by, or on behalf of the GCF; and
- (h) Ensure that individuals or entities sanctioned by the GCF do not participate in Fund-related Activities in violation of their sanction.⁶

19. Subject to terms of their legal agreements with the GCF, Counterparties that are contracted to carry out a Fund-related Activity shall ensure that GCF funds provided for or resulting from the purposes of any such Fund-related Activity are not, or contractually cause such funds not to be, used by it or by any recipients, including any Executing Entity, to whom the funds are disbursed, for any illegal or improper purposes (including bribery), contrary to any contractual agreements with the GCF, or contrary to any laws of the Host Country in which the Fund-related Activity is to be implemented. This obligation shall be met by taking actions including incorporating in Subsidiary

⁶ This is subject to the adoption of policies regarding sanctions and exclusions.

Agreements provisions corresponding to a Counterparty's own rules, policies and procedures which should enable it to comply with this Policy and contractually oblige the Executing Entity to incorporate such provisions in its agreements with third parties relating to the relevant Fund-related Activity.

20. Any Counterparty may seek advice from the GCF Secretariat or the IIU regarding its efforts to satisfy the obligations listed under paragraphs 34 and 35.

VIII. Actions to be taken by the GCF in Cases of Prohibited Practices

8.1 Covered Individuals

21. A Staff member who is found to have directly or indirectly condoned, encouraged, participated in or engaged in a Prohibited Practice may be subject to disciplinary measures,⁷ as provided in the Human Resources Legal Framework.

22. Any other GCF Personnel who is found to have directly or indirectly condoned, encouraged, participated in or engaged in a Prohibited Practice may be subject to sanctions, as provided in the terms of the contractual agreement concluded between the GCF Personnel and the GCF.

23. With the exception of the role stipulated in paragraph 43, any disciplinary measures or sanctions to be imposed on GCF Personnel shall be determined and enforced by the Executive Director. The Executive Director shall be guided by the findings and recommendations made by the IIU at the conclusion of its investigation of a report of suspected Wrongdoing concerning GCF Personnel as provided for in this Policy. Notwithstanding the foregoing, in the event that the suspected Wrongdoing is alleged to have been committed by GCF Personnel working under the Authority of the IIU, the relevant investigations shall be conducted in accordance with procedures to be approved by the Board.⁸

24. Reports of suspected Wrongdoing concerning GCF Board Appointed Officials (except for the Head of the IIU) or External Members or their Immediate Family Members, the investigation of such suspected Wrongdoing, and the determination and enforcement of any disciplinary measure or sanction thereto, shall be addressed according to the procedures set out in the Policy on Ethics and Conflicts of Interest for Board Appointed Officials, the Policy on Ethics and Conflicts of Interest for the Executive Director of the Green Climate Fund, and the Policy on Ethics and Conflicts of Interest for External Members, as appropriate.

25. Reports of suspected Wrongdoing concerning the Head of the IIU or her/his Immediate Family Members,⁹ the investigation of such suspected Wrongdoing, and the determination and enforcement of any disciplinary measure thereto, shall be referred to and addressed by the Ethics and Audit Committee, in accordance with the Policy on Ethics and Conflicts of Interest for Board Appointed Officials.

26. Reports of suspected Wrongdoing concerning a GCF Personnel of the IIU, or his or her Immediate Family Members, the investigation of such suspected Wrongdoing, and the determination and enforcement of any disciplinary measure thereto, shall be referred to and addressed by the Ethics and Audit Committee on an interim basis until an appropriate

⁷ Corrective measures may include censure, suspension from duty with or without pay or with reduced pay, demotion, reduction in pay, or separation of the staff member from the service of the GCF. A staff member may also be suspended from duty with pay, without prejudice, pending investigation of a charge.

⁸ Paragraph 7, Annex IV, Decision B.06/09. Until such time as the relevant procedures have been approved by the Board, reports of suspected Wrongdoing by GCF Personnel working under the authority of the Head of the IIU shall be addressed by the Ethics and Audit Committee.

⁹ As defined in the Policies on Ethics and Conflicts of Interest and the Terms of Reference of the IIU.

mechanism or procedure is established by the GCF Secretariat, in consultation with the Board, as stipulated in the Policy on Ethics and Conflicts of Interest for Board Appointed Officials.

27. Reports of suspected Wrongdoing concerning a Co-Chair of the Board, Board Member, Alternate Board Member or Adviser or their Immediate Family Members, the investigation of such suspected Wrongdoing, and the determination and enforcement of any corrective measure thereto, shall be addressed according to the procedures set out in the Policy on Ethics and Conflicts of Interest for the Board of the Green Climate Fund.

8.2 Counterparties

28. The IIU shall investigate reports of suspected Wrongdoing regarding Counterparties in accordance with the Fund's investigative standards and procedures, and shall report its findings and recommendations to the Executive Director and the Ethics and Audit Committee. For that purpose, the IIU shall:

- (a) Cooperate closely with the relevant departments or units of Counterparties regarding investigations, guided by cooperation agreements concluded between the IIU and Counterparties; and
- (b) Share best practices and give guidance to support the Fund's readiness activities.

29. The GCF has the right to reject or disqualify a proposal for a Fund-related Activity if it determines that the Counterparty has directly or indirectly condoned, encouraged, participated or engaged in any Prohibited Practices in the preparation of the project proposal.

30. The GCF has the right, subject to the terms of any legal agreement entered into between a Counterparty and the GCF, to sanction any Counterparty for directly or indirectly condoning, encouraging, participating in, engaging in or otherwise failing to prevent or effectively mitigate any Prohibited Practice in a Fund-Related Activity in accordance with the GCF's policies, guidelines and procedures, as may be adopted and amended from time to time. Sanctions may include:

- (a) Reprimand – the Fund may send a formal letter of reprimand of the Counterparty's behaviour;
- (b) Cancellation or suspension – the GCF may cancel or suspend GCF proceeds (in whole or in part) which have been allocated to a Counterparty but not yet disbursed under a financing agreement or contract for goods or services;
- (c) Debarment – the GCF may declare a Counterparty, either indefinitely or for a specified period, ineligible:
 - (i) To be awarded future financing from the Fund;
 - (ii) To be awarded a contract financed by the Fund;
 - (iii) To benefit from a contract financed by the Fund, financially or otherwise, for example as a subcontractor; and
 - (iv) To otherwise participate in GCF-related Activity, in whole or in part;
- (d) Conditional Non-Debarment – the GCF may require the Counterparty to comply, within specified time periods, with certain remedial, preventative or other measures as a condition to avoid debarment. In the event the Counterparty fails to demonstrate its compliance with the prescribed conditions within the time periods established, a debarment may automatically become effective for a period; and
- (e) Restitution of funds – the GCF may require restitution of improperly used or diverted GCF proceeds or other GCF Funds.

31. The determination and enforcement of any of the above sanctions shall be provided in the GCF's policies on sanctions and exclusions.

IX. Referrals

32. The IIU, guided by the IIU's Terms of Reference and the Human Resources Legal Framework, shall refer any report of suspected Wrongdoing which falls outside the competency of the IIU, to the appropriate office, division or unit with the GCF (including the Independent Redress Mechanism) for resolution.

33. Where the IIU determines, upon the conclusion of an investigation, that an unlawful or criminal activity has or may be reasonably suspected to have occurred, the IIU may recommend to the Executive Director and the Ethics and Audit Committee that the matter be referred to the component authorities. The Executive Director in consultation with the Ethics and Audit Committee shall determine whether to make the referral. In cases where a Covered Individual who enjoys GCF privileges and immunities is involved in a suspected unlawful or criminal activity, the Executive Director may also determine whether or not to waive the Covered Individual's privileges and immunities.

X. Communication and Capacity Building Actions

34. The IIU will proactively make known and communicate widely this and other integrity policies and procedures of the GCF to Covered Individuals, Counterparties and other stakeholders through all available means and as far as possible. It shall ensure that channels for reporting suspected Prohibited Practices are easily accessible and available.

35. To further the effective implementation of this Policy, the IIU will conduct integrity training in coordination and cooperation with relevant offices of the GCF Secretariat, Counterparties and other stakeholders. The IIU will promote peer learning and engage in platforms for the sharing of best practices and give guidance that can be helpful in the implementation of Fund-related Activities.

36. The IIU will provide policy and best practice advice and support to Accredited Entities and other relevant stakeholders in developing and implementing their own Prohibited Practices policies and procedures regarding Fund-related Activities.

XI. Policy administration, monitoring, reporting and review

37. The IIU, shall be responsible for the implementation of this Policy. The IIU shall collaborate with the Secretariat to advise and ensure the effective implementation of the policy including regular engagement and communication within the scope of the Policy.

38. The IIU shall report on the implementation of this Policy, on an annual basis to the Board.

39. The Secretariat shall, in collaboration with the IIU, implement this Policy through obtaining appropriate contractual protections and ensuring that obligations of Counterparties stipulated in the Policy are provided for in its legal agreements/arrangements with Covered Individuals and Counterparties and through assessing, reviewing, monitoring and reporting the compliance of Covered Individuals and Counterparties to this Policy.

40. The IIU shall proactively monitor and review the implementation of this Policy.

41. The Ethics and Audit Committee shall, every three years with the support of the IIU, present a report to the Board on issues related to the implementation of this Policy along with any recommendations for changes to it.

XII. Consequential amendments to existing policies

42. The definition of “Prohibited Practices” in the Policies on Ethics and Conflicts of Interest for Board (including alternate Board members and advisers), External Members and Board Appointed Officials (other than the Executive Director) is hereby amended such that with respect to:

- (a) The ‘Policy on Ethics and Conflicts of Interest for the Board of the Green Climate Fund’, the definitions in paragraph 3(m)(i)-(v) of Annex I to decision B.09/03 shall be deleted and replaced with the definitions set out in paragraphs 18(a)-(i) above
- (b) The ‘Policy on Ethics and Conflicts of Interest for External Members of the Green Climate Fund’, the definitions in paragraph 3(n)(i)-(v) of Annex XXVI to decision B.10/13 shall be deleted and replaced with the definitions set out in paragraphs 18(a)-(i) above
- (c) The ‘Policy on Ethics and Conflicts of Interest for Board Appointed Officials’, the definitions in paragraph 5(o)(i)-(v) of Annex V to decision B.13/27 shall be deleted and replaced with the definitions set out in paragraphs 18(a)-(i) above.

43. The definitions of Prohibited Practices in this Policy shall replace the definitions and scope of Prohibited Practices in any other existing GCF Policy.

XIII. Effective Date

44. This Policy shall come into effect upon approval of the Board of the GCF from [xx] October 2018 and supersede the Interim Policy on Prohibited Practices, as contained in Decision B.12/31, paragraph (h).
