

# Policy on Ethics and Conflict of Interest for External Members of Green Climate Fund Panels and Groups

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This document is as adopted by the Board and contained in annex XXVI to decision B.10/13, paragraph (a).



## I. Scope, purpose and applicability

1. This policy on ethics and conflicts of interest for external members of panels and groups sets out principles and ethical standards for the external members serving on panels and groups established by the Board of the Green Climate Fund (the Fund) in connection with, or having a bearing upon, their status and responsibilities in the Fund. As these members shall assist the Board in conducting its business and in performing its functions, their professional and personal conduct must comply with the ethical standards and procedures set out herein.
2. The Policy is in furtherance of the general principle set out in the Governing Instrument for the Green Climate Fund that the Fund shall operate in a transparent and accountable manner guided by efficiency and effectiveness.

## II. Definitions

3. For the purposes of the Policy, the following terms shall have the meaning set out below:
  - (a) **Associated Institution** means:
    - (i) Any entity, agency, organization, corporation, administration or similar institution in which a Covered Individual is serving as an officer, director, Stakeholder, trustee, partner or employee or for which the Covered Individual is working as consultant, that receives or may receive directly or indirectly, funding from the Fund or with which the Fund has, either directly or through an intermediary, an agreement, contract, grant, understanding, arrangement or relationship; or
    - (ii) Any entity, agency, organization, corporation, administration or similar institution with which a Covered Individual is applying for, or negotiating to have, an arrangement concerning employment or consultancy;
  - (b) **Board** means the Board of the Fund;
  - (c) **Covered Individual** means the external members of technical and expert panels and groups referred to in paragraph 18 (g) of the Governing Instrument and paragraph 32 of the Rules of Procedure of the Board;
  - (d) **Ethics and Audit Committee** means the committee of the Board established by decision B.05/13, paragraph (e);
  - (e) **Executive Director** means the executive director of the Fund as referred to in paragraph 20 of the Governing Instrument;
  - (f) **External Member** means an expert 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;
  - (g) **Fund** means the Green Climate Fund;
  - (h) **Gift** means any gratuity, favour, discount, entertainment, hospitality, loan, forbearance, honorarium or other item having monetary value. These include services as well as gifts of training, transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred;
  - (i) **Governing Instrument** means the Governing Instrument for the Green Climate Fund;

- (j) **Immediate Family Members** means a Covered Individual's spouse, partner under domestic legislation, child, mother, father, brother or sister and persons primarily dependent on such an individual for financial support;
- (k) **Independent Integrity Unit** means the independent integrity unit referred to in paragraph 68 of the Governing Instrument;
- (l) **Panel or Group** means panels and groups established by the Board of the Green Climate Fund;
- (m) **Policy** means this policy on ethics and conflicts of interest for external members on panels and groups;
- (n) **Prohibited Practices** means any of the following practices:
  - (i) A "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another entity and/or individual;
  - (ii) A "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, an entity and/or individual to obtain a financial or other benefit, or to avoid an obligation;
  - (iii) A "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any entity and/or individual improperly or the property of that entity and/or individual to influence improperly the actions of an entity and/or individual;
  - (iv) A "collusive practice" is an arrangement between two or more entities and/or individuals designed to achieve an improper purpose, including to improperly influence the actions of another entity and/or individual;
  - (v) An "obstructive practice" includes deliberately destroying, falsifying, altering or concealing evidence in an investigation; making false statements to investigators in order to materially impede an investigation; threatening, harassing or intimidating any entity and/or individual to prevent it or he/she from disclosing its or his/her knowledge of matters relevant to the investigation or from pursuing the investigation; or materially impeding the Fund's rights of audit or access to information; and
  - (vi) "Harassment" means unwelcome verbal or physical behaviour that unreasonably interferes with work or creates an intimidating, hostile or offensive work environment;
- (o) **Secretary to the Board** means the member of the Staff serving as Secretary to the Board;
- (p) **Staff** means all staff of the Secretariat of the Fund, including the Executive Director, as described in paragraph 21 of the Governing Instrument; and
- (q) **Stakeholder** means a person having a proprietary or economic interest in an entity.

### III. Basic standard of conduct

4. Covered Individuals shall carry out their responsibilities as prescribed in the Governing Instrument, their respective agreements with the Fund and the Terms of Reference of the relevant Panel and Group, and comply with all applicable current and future policies of the Fund, to the best of their ability and judgement and shall maintain the highest standards of

integrity and ethics in their personal and professional conduct, and observe principles of good governance.

5. In order to reflect the importance of the Policy and the obligations contained in it, Covered Individuals shall, upon their appointment read and sign the Declaration of Office, a template of which is contained in Appendix I herein, to be deposited with the Secretary to the Board.
6. Covered Individuals shall observe the laws of each jurisdiction in which they are present pursuant to their official duties and responsibilities, associated with the Fund, so as not to be perceived as abusing the privileges and immunities conferred upon the Fund and upon them. This provision does not abrogate or waive any privileges and immunities which they may enjoy.
7. Covered Individuals shall, in their interactions with others at the Fund, act with tolerance, sensitivity and respect for cultural differences. Any form of discrimination based on any ground such as gender, race, colour, national, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation shall be against the Policy.
8. Covered Individuals, shall abide by the following standards of conduct:
  - (a) Covered Individuals must not act in any manner that will undermine public confidence and trust in the Fund. In particular, Covered Individuals will refrain from engaging in Prohibited Practices;
  - (b) Covered Individuals must not encourage anyone to take any actions listed under paragraph 8 (a) above; and
  - (c) Covered Individuals must disassociate from, and report to the Independent Integrity Unit, any suspected misconduct by other Covered Individuals or other individuals associated with the Fund, including those actions listed under paragraph 8 (a) above when it comes to their attention, in accordance with the procedure set out in Chapter IV below, and to refrain from retaliation against an individual who provides information in good faith about suspected misconduct.

#### **IV. Non-compliance with the Policy**

9. Alleged breaches of a provision of the Policy by a Covered Individual or their Immediate Family Members shall be referred by the Secretariat, or by any individual or entity, to the Independent Integrity Unit pursuant to the procedure set out in Appendix II to the Policy.
10. The Independent Integrity Unit shall, upon formally establishing the breach of a provision of the Policy, after due enquiry, notify the Executive Director and the Ethics and Audit Committee of its findings with a recommendation on action to be taken against the Covered Individual. If, at any time during the investigation, the Independent Integrity Unit considers that it would be prudent, as a precautionary measure or to safeguard information, to recommend placement of limits on the official activities of the Covered Individual or to recommend that he or she be suspended from duty, the Independent Integrity Unit shall refer the matter to the Executive Director for appropriate action.
11. The Executive Director may, in consultation with the Ethics and Audit Committee, where upon it being formally established after due enquiry by the Independent Integrity Unit that there has been a breach of a provision of this Policy, take the following action against a Covered Individual:
  - (a) Termination of the appointment of such Covered Individual; and/or

- (b) Instruction that the Covered Individual in question shall be ineligible for any future appointment or to serve in any capacity with the Fund indefinitely or for a limited period of time.

The Independent Integrity Unit shall inform the Board of its findings in the event that it establishes a breach. The Independent Integrity Unit shall also, after consultation with the Executive Director, inform the Board whether such findings reveal that the breach in question tangibly affected the operations of the Fund, thus requiring remedial action.

12. The procedures for handling allegations of a breach of the Policy may be amended by the Board, upon the recommendation of the Ethics and Audit Committee.

## V. Conflicts of interest

13. A conflict of interest arises when a Covered Individual has interests that could, or could reasonably be perceived to, improperly influence the activities of the Fund and the policy decisions of the Board, as well as the Covered Individual's performance of official duties or responsibilities, contractual obligations or compliance with applicable laws and regulations.

14. In general, and without limitation, conflicts of interest may be deemed to exist in the following situations:

- (a) Where a Covered Individual's interests, or the interests of an Immediate Family Member or Associated Institution could affect the conduct of his or her duties and responsibilities with respect to the Fund or result in a reasonable perception that a conflict of interest exists;
- (b) Where Covered Individual's actions create the perception that s/he is using his or her position at the Fund for the benefit of an Immediate Family Member or an Associated Institution; and
- (c) Where Covered Individuals hold positions in government or non-governmental organizations which engage with the Fund, or who are working in, or have a contractual arrangement, as consultants or otherwise, with an Associated Institution, accredited entity or entity seeking or receiving funding from the Fund.

15. If an appearance of a conflict of interest arises, or if there is doubt whether a conflict, actual, apparent or perceived, exists, the Covered Individual concerned shall promptly refer the matter in writing to the head of the Independent Integrity Unit for guidance.

16. In order to avoid conflicts of interest, Covered Individuals shall submit to the Independent Integrity Unit a list of their functions and roles outside the Fund and any financial or business interests which may reflect unfavourably upon the Fund or which may be in actual or perceived conflict with her/his duties, and shall update such list if and when required to reflect amendments.

17. All Covered Individuals shall disclose existing and potential conflicts of interest upon consideration for appointment to any Panel or Group and before every relevant Panel or Group meeting.

18. During the course of a Panel or Group meeting, a Covered Individual with an actual, perceived or potential conflict of interest shall disclose the conflict to the chair of the meeting as soon as possible upon learning of a possible conflict of interest and under no circumstances later than the beginning of discussion of the relevant agenda item, and recuse her/himself from participating in the proceedings of that item.

## VI. Procedure when a conflict of interest arises

19. All actual or potential conflicts of interest or the reasonable appearance thereof shall be immediately disclosed in writing to the Independent Integrity Unit. In addition, others such as the Secretariat may bring an actual or potential conflict of interest of a Covered Individual to the attention of the Independent Integrity Unit.
20. The Independent Integrity Unit shall promptly review these disclosures or any alleged conflicts of interest communicated to it and determine whether an actual or potential conflict of interest exists and, if so, whether to issue a waiver defining the extent to which the Covered Individual may participate in any discussion of the issue that has given rise to the conflict. The Independent Integrity Unit may also, at its discretion, bring any conflicts of interest issues to the entire Board for further consideration and decision.
21. When it is determined by the Independent Integrity Unit that an actual or potential conflict of interest exists, the Covered Individual shall not participate in the matter that has given rise to the conflict absent a waiver from the Independent Integrity Unit.
22. If the determination affects a Covered Individual, such Covered Individual may appeal the decision to the Board.

## VII. Future employment

23. When seeking, negotiating for, or entering into an arrangement concerning, prospective employment outside the Fund for themselves or for Immediate Family Members, Covered Individuals shall not allow such circumstances to influence the performance of their duties nor may they have any involvement with respect to a Fund decision in which a prospective employer has or may have an interest.
24. A Covered Individual shall not apply for or accept any employment, including as a consultant, with an entity applying, or reasonably likely to apply, for accreditation with the Fund, unless disclosed to, and approved by the Independent Integrity Unit. The Independent Integrity Unit will assess whether an actual or potential conflict of interest exists in these circumstances and, if so, the remedy to address such conflict.
25. Employment by the Secretariat: Any Covered Individual and Immediate Family Member shall not be eligible for employment by the Fund, including as a consultant, until one and a half years following the last date of service of the Covered Individual in the relevant position. The Independent Integrity Unit may waive this provision only in exceptional circumstances. A request for such a waiver must be submitted by the individual concerned to the Independent Integrity Unit before s/he applies for employment by the Fund. A decision by the Independent Integrity Unit granting such a waiver shall state the circumstances justifying the decision. The Fund shall not take action on or accept an application for employment from such an individual unless a waiver has been granted by the Independent Integrity Unit.

## VIII. Transparency and disclosure of information

26. Covered Individuals explicitly acknowledge that they may have access to information regarding the Fund and its operations that is deemed confidential according to the Fund's information disclosure policies and agree that at all times they shall respect the confidentiality of such information and shall not use such information for the purpose of furthering their personal interest or the personal interest of any other person or entity for whom or which such information is not intended. They shall comply with the information disclosure policies of the

Fund. The provisions of this paragraph shall continue to apply to Covered Individuals after their service as a Covered Individual has ended.

27. Covered Individuals shall consult the Independent Integrity Unit if they have doubts as to whether certain information is deemed confidential. The determination of the Independent Integrity Unit is final.
28. If a Covered Individual believes that confidential information may have been improperly disclosed, s/he shall promptly inform the Independent Integrity Unit and the Executive Director.<sup>1</sup>
29. Covered Individuals may not:
- (a) Communicate any unpublished and/or confidential information known to them by reason of their official position to any person within or outside the Fund who they know or should know is not authorized by the Fund to receive such information; or
  - (b) Use, or allow the use of, unpublished and/or confidential information known to them by reason of their official position with the Fund to private advantage, directly or indirectly, or for any interest contrary to the interests of the Fund.

In complying with the above obligations, which continue after separation from the Fund, Covered Individuals must scrupulously observe the rules and procedures established by the Fund to protect unpublished and/or confidential information; and

- (c) Publications and Public Speaking  
Covered Individuals during the term of their appointment or service may not:
  - (i) Publish, cause to be published, or assist in the publication of any book, pamphlet, article, letter or other document relating to the policies or activities of the Fund or on any national political questions;
  - (ii) Deliver any speech or presentation, broadcast through radio, television or other electronic media, or hold press conferences or grant press interviews on such policies, activities or questions; or
  - (iii) Speak on behalf of the Fund or state its policies as a participant in any seminar or conference.

## IX. Gifts and entertainment

30. All Covered Individuals and their Immediate Family Members are prohibited from accepting Gifts under circumstances where it could reasonably be construed that the Gift is motivated by the position of the Covered Individual in relation to the Fund and interests that could be substantially affected by the Fund.
31. All Covered Individuals and their Immediate Family Members are prohibited from giving Gifts where it could reasonably be construed that the Gift is intended to affect the policies or practices of the Fund or any of the programmes it funds.
32. A Covered Individual may accept unsolicited Gifts on behalf of the Fund when refusal to do so would embarrass the Gift provider or the Fund or otherwise not be in the interest of the Fund, such as when a refusal to accept would be considered impolite. Except when impractical (such as in the case of meals), Gifts accepted on behalf of the Fund will be turned over to the

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<sup>1</sup> The Executive Director is to be informed promptly in order to manage any potential liability towards third parties to whom the Fund has confidentiality obligations, for example under a non-disclosure agreement.



Secretariat and handled under applicable current and future Fund procedures and guidelines for dealing with Gifts.

## **X. Previous involvement in decision-making processes**

33. Except where expressly authorized by the Independent Integrity Unit, Covered Individuals must not be involved in any decision-making process to determine the selection of any entity if they are or were previously employed or otherwise associated with such entity, which is:

- (a) A supplier of goods and/or services to the Fund;
- (b) A recipient or beneficiary of Fund financing; or
- (c) A guarantor of any such financing.

## **XI. Review and amendment**

34. The Board, on the recommendation of the Ethics and Audit Committee, shall keep this Policy under regular review and amend the Policy, as necessary, to ensure that the highest ethical standards are applied to the Covered Individuals.

## **XII. Effective date**

35. The Policy shall come into effect upon adoption by the Board, and shall remain in effect until amended or superseded by the Board.

36. Covered Individuals already in office at the time the Policy comes into effect shall submit the signed Declaration of Office promptly upon the effective date of the Policy in accordance with paragraph 5 above.

37. Amendments to the Policy and any amendments thereto, shall come into effect in accordance with paragraph 35 above.



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## Appendix I: Declaration of Office of External Members of \_\_\_\_\_ [Panel/Group] of the Green Climate Fund

I solemnly declare that I will perform my duties and responsibilities as a member of \_\_\_\_\_ [Panel/Group] of the Green Climate Fund honourably, faithfully, and conscientiously.

I solemnly declare and promise that I shall have no personal interest in any matter I am involved with in performing my duties on the \_\_\_\_\_ [Panel/Group] of the Green Climate Fund.

I solemnly declare that I accept and will be bound by the policy on ethics and conflicts of interest for external members of Green Climate Fund Panels and Groups.

I explicitly acknowledge that I may have access to information regarding the Fund and its operations that is deemed confidential according to the Fund's information disclosure policies and agree that at all times I shall respect the confidentiality of such information and shall not use such information for the purpose of furthering my personal interest or the personal interest of any other person or entity for whom or which such information is not intended. I shall comply with the information disclosure policies of the Fund. The provisions of this paragraph shall continue to apply after my service as a member of the Panel/Group has ended.

I shall disclose to the Independent Integrity Unit any interest in any matter under consideration by the Panel/Group which may constitute a conflict or potential conflict of interest or which might be incompatible with the requirements of integrity and transparency in my functions as a member of the Panel/Group and I shall refrain from participating in the work of the Panel/Group in relation to such a matter, unless a waiver has been granted by the Independent Integrity Unit.

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Full Name

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Signature

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Date

## Appendix II: Procedures for Handling Allegations of Misconduct

1. Charges of misconduct and/or breaches of the policy on ethics and conflicts of interest for external members of panels and groups, made by any individual or entity against a Covered Individual or their Immediate Family Members, shall be submitted in writing and in confidence to the Head of the Independent Integrity Unit.
2. The Covered Individual concerned shall not be presumed to have engaged in the alleged misconduct until such time as the Independent Integrity Unit decides that there is sufficient evidence to establish, on a balance of probabilities that the alleged misconduct did occur.
3. As soon as is practicable, the Independent Integrity Unit shall review the allegations and determine whether they are credible and whether they are appropriate for taking action by the Independent Integrity Unit. If the allegations do not appear credible, the Independent Integrity Unit may decide to take no further action. If the allegations appear credible and appropriate for taking action by the Independent Integrity Unit, it shall take such action promptly.
4. As soon as is practicable, based on the findings of the investigation, the Independent Integrity Unit shall make a recommendation to the Executive Director and the Ethics and Audit Committee whether the facts indicate that the misconduct occurred, and if so, what measures may be appropriately imposed. The Executive Director shall take a final decision, in consultation with the Ethics and Audit Committee, based on the findings and recommendations of the Independent Integrity Unit.
5. The Executive Director may, after consultation with the Ethics and Audit Committee, where upon it being formally established after due enquiry by the Independent Integrity Unit that there has been a breach of a provision of this policy, take the following action against the Covered Individual in question:
  - (a) Termination of the appointment of such Covered Individual; and/or
  - (b) Instruction that the Covered Individual in question shall be ineligible for any future appointment or to serve in any capacity with the Fund indefinitely or for a limited period of time; and
  - (c) In addition, the Executive Director shall inform the Board of the findings of the Independent Integrity Unit and the action taken against the Covered Individual.
6. Each Covered Individual, if alleged to have committed misconduct, shall be provided with timely notice of the allegations, all relevant documentation and the opportunity to present his or her views regarding the allegations to the Independent Integrity Unit before it makes its determination, and to the Executive Director, before s/he takes any decisions, as set out in these procedures:
  - (a) Whether to conduct an investigation; or
  - (b) Whether the facts indicate that the misconduct occurred, and if so, what measures may be appropriately imposed.
7. In exceptional cases, the Independent Integrity Unit may permit the individual who is alleged to have committed misconduct to be accompanied by an advisor of her/his choice.
8. If a charge of misconduct under this Policy is made against a Covered Individual, the following interim measures may be taken by the Executive Director, after consultation with the Ethics and Audit Committee, pending investigation of the charges against the Covered Individual:
  - (a) Limit/Denial of access. The Covered Individual's access to the Fund or Fund premises (including files, electronic databases and e-mail facilities) may be limited or denied; and/or

- (b) Temporary removal from Panel/Group. The Covered Individual may be asked to abstain from work on the Panel/Group, either with or without remuneration.
9. Any Staff member who makes frivolous or knowingly false allegations against a Covered Individual shall be subject to disciplinary procedures in accordance with the Fund's HR Guidelines. Frivolous or knowingly false allegations made by a Covered Individual shall be considered a violation of the Policy and will be subject to the procedures of this Policy.



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