

Administrative policies of the Fund

This document is as adopted by the Board and contained in annex I to decision B.06/03, paragraph (a).



I. Scope and types of policies

1. The main administrative policies of the Fund cover all areas that normally fall under the responsibility of the Secretariat's Division of Support Services.¹ They are limited to the administrative business of the Secretariat, namely:

- (a) Human resources (HR);
- (b) Administrative budget;
- (c) Procurement and asset management;
- (d) Information and communication technology (ICT); and
- (e) Audit and internal controls.

2. The main administrative policies do not cover the relations between the Fund and the Interim Trustee, which are governed by decision 3/CP.17 and the Fund's Governing Instrument annexed thereto, and by decisions already adopted by the Board.

3. The Administrative Policies will be supplemented by administrative guidelines endorsed by the Board and promulgated by the Executive Director. The Executive Director operates under the guidance of, and is accountable to, the Board that exercises oversight.

II. Human resources

2.1 Main principles

4. The Fund requires for its operations highly qualified, dedicated and motivated staff with various skills. In order to attract, recruit, motivate and retain such staff, the Fund will seek to provide competitive terms and conditions of employment and will be guided by fair, impartial and transparent policies and practices in the management of its staff.

5. The staff salaries, allowances and benefits will be maintained at competitive levels based on the salary scales of the Asian Development Bank (ADB), adjusted to the cost and conditions of living at the Fund's headquarters, and in duty stations outside the Republic of Korea, when applicable.

6. The employment, promotion and assignment of staff will be made without discrimination on the basis of sex, race, nationality, or religion.

7. The Fund will provide staff with employment conditions consistent with the terms of their appointment, their satisfactory performance and conduct, and the efficient administration of the Fund.

8. The Fund will not condone or tolerate any form of harassment. The Executive Director will develop and implement appropriate rules to address and sanction any form of harassment.

9. The Fund will systematically evaluate the relative levels of jobs and the equitable remuneration for similar responsibilities, both within the Fund and compared to other relevant organizations. The Fund will reward staff according to performance, length of service and other relevant factors. The Fund will not pay or reimburse any taxes that may have to be paid by staff or experts of the Secretariat.

¹ Or the organizational structure that may replace the Division in the future.

10. The Fund will periodically review the work of staff in order to obtain the most effective use of their services and expertise, recognize their achievements, and identify their training and development needs.
11. The Fund will seek to maintain excellence of performance and will actively assist staff in upgrading their skills and broadening their experience in different functional areas. The Fund will ensure that career development is an integral part of staff administration.
12. The Fund will seek to accord full and fair opportunities to eligible staff to compete for promotion to higher levels and for filling vacancies as they occur. Selection for promotion will be competitive, based on specified criteria and relative merits of eligible staff, and will be in accordance with established procedures to determine the most suitable candidate to be appointed.
13. The Executive Director will closely consult with staff representatives, consistent with paragraph 36, before proposing any new HR policies to the Board.
14. The Fund will observe due process in all areas of staff administration, in particular, in initiating and deciding on the involuntary or premature separation of staff from service.
15. Where grievances arise, staff members holding fixed-term appointments will be entitled, without fear of reprisal, to request an administrative review, invoke the appeal procedures or, as an ultimate recourse, elevate such grievance to an Administrative Tribunal whose decision will be binding on the Fund and the concerned staff member.
16. The Fund will defend staff and former staff against claims brought against them by third parties as a result of acts performed in their official capacity, provided that such acts were within their authority and they were acting in good faith and in accordance with the Code of Conduct of the Fund's Staff, set forth in Appendix I, or other applicable internal rules, as determined by the General Counsel of the Fund in consultation with the Executive Director. In appropriate cases, the Fund will indemnify the staff or former staff for reasonable and necessary legal expenses and judgments and settlements arising from such claims.

2.2 Code of Conduct

17. The Fund will require staff members to conduct themselves at all times in a manner befitting their status as employees of an international organization. They will be expected to maintain the highest ethical standards, with a high degree of integrity and concern for the Fund's interests and to avoid situations and activities that may reflect adversely on the Fund, compromise its operations, or lead to real or perceived conflicts of interest. The Code of Conduct of the Fund's Staff is set forth in Appendix I. The Executive Director may impose disciplinary measures on staff members whose conduct contravenes this Code.
18. All staff will be required to give in their work due consideration to cost efficiency and effectiveness and should make every effort to minimize the climate change-related impacts of their actions.
19. Upon appointment, each staff member will subscribe in writing to the Affirmation, set forth in Appendix II.

2.3 Recruitment and appointment of staff

20. The Fund will hire highly-qualified staff with various skills, internationally and locally, based on their qualifications and competences, through a transparent selection process.
21. The Fund will take all necessary action to preclude that its recruitment practices involve nepotism, conflict of interest and other inappropriate practices.

22. Selection of qualified candidates will generally be competitive, based on specified capability criteria and relative merits of shortlisted candidates and in accordance with established procedures to determine the most suitable candidate.
23. The Executive Director will manage the staff selection and appoint the staff. All staff appointments will be subject to a probationary period, the duration of which will be determined in the letter of appointment.
24. All staff, irrespective of their level and type of appointment, will be accountable to the Executive Director. The Executive Director may terminate the appointment of staff, if circumstances so warrant.

2.4 Types of appointment and categories

25. The Fund will offer different types of appointments to attract staff at different levels and with different skill sets to address the Fund's staffing requirements in long, medium and short term.
26. The Fund will provide staff with terms and conditions consistent with the terms of their assignment, their performance and conduct.
27. There will initially be two categories of staff, namely international and locally-recruited staff. The Fund may establish other categories or sub-categories at a later stage.

2.5 Geographic and gender balance

28. Subject to the paramount consideration of securing the highest level of efficiency and competence, the Fund will always strive for equitable geographic and gender balance among its staff.

2.6 Salaries, compensation and entitlements

29. Salaries will be designed to attract and retain highly-qualified and competent staff members and to motivate them to achieve the highest standards of performance.
30. Consistent with the Board decision that the Fund's administrative policies, including on human resources, are to be based on those used by ADB, the basic salary of the Fund's internationally recruited staff will be determined based on ADB's international staff salary structure.² The salary scale for staff to be locally recruited in the Republic of Korea will be based on that of the World Bank. The Fund will not reimburse any taxes on salaries and emoluments which may be due in accordance with applicable law.
31. The Fund's salary structure, composed of an appropriate number of salary ranges will embody the correspondence between the relative hierarchy of jobs and the progression of salary rates at the different salary levels.
32. Salaries will be administered in a manner that is both equitable and transparent to all staff.

² In the human resources guidelines of the Fund, it will be explored if a cost of living adjustment would be applicable to the Fund's international staff in Songdo, taking into account:

- (a) Existing cost of living comparisons between Songdo, Manila and Washington D.C.;
- (b) ADB practices and history with regard to the establishment of salary levels and structure in the headquarters and in external duty stations; and
- (c) Similar practices in comparable institutions.

33. The following main benefits will be applicable in line with ADB staff benefits:
- (a) Travel to the duty station upon appointment and repatriation travel upon separation;
 - (b) Housing subsidy;
 - (c) Shipment of household goods and settlement/relocation allowance;
 - (d) Annual leave and other types of leave;
 - (e) Home country travel;
 - (f) Education grant; and
 - (g) Health and other insurances.
34. Benefits will be adjusted annually by the Executive Director, taking account of ADB practices. Any exceptions or deviations from ADB benefits will be submitted to the Board for approval.
35. With regard to pension, the Fund will pay the same percentage of employer's contribution as ADB. As the Fund's staff retirement plan will be administered externally, pension benefits will depend on the agreement to be entered into with the administrator of the Fund's staff retirement plan.

2.7 Staff Council

36. The Fund's staff members will be free to form a Staff Council and elect representatives to foster consultation and close cooperation among the staff, and between the staff and the Management, and to promote the aims and objectives of the Fund as well as to safeguard staff members' rights, interests and welfare.

III. Administrative budget and accounting system

3.1 Administrative budget

37. The financial period of the administrative budget will cover one year from 1 January to 31 December or such other period as may be determined by the Board.
38. The Executive Director will prepare and submit a budget proposal for the following financial period allowing enough time for the Board to consider and approve it.
39. Approval of the budget by the Board will constitute an authorization to the Executive Director to incur expenditures and make disbursements up to the approved amount, subject to availability of resources. The Executive Director may reallocate funds among line items as needed, within the overall budget for the financial year.
40. The Executive Director will determine the level of delegation within the Secretariat to implement and control the respective budget allocation of discretionary expenses, namely budgets for consultancy, travel, and representation.
41. Staff and benefit costs will be administered and centrally managed by the relevant organizational unit of the Secretariat,³ together with recruitment and relocation costs.
42. If required during the financial period, the Executive Director may propose a supplementary budget for the consideration and approval of the Board.

³ In the initial structure of the Secretariat, this is the Support Services Division.

3.2 Accounting system

43. An internationally accepted accounting system to record the financial transactions of the administrative budget will be selected by the Secretariat and approved by the Board upon the recommendation of the Ethics and Audit Committee. The Executive Director will put in place appropriate internal control mechanisms to ensure clarity, transparency and accuracy of the budget management.
44. In line with Section 3.1, a budget will be approved for utilization within a particular year and utilization will include funds actually disbursed and commitments. For commitments, the accounting concept of accruals will be applied in compliance with sound accounting principles.
45. Appropriate rules for depreciation, considering useful life and method adopted, will be developed by the Secretariat and agreed with the External Auditor.
46. The Secretariat will prepare budget utilization reports and year-end adjustments.
47. The accounts will be subject to audit by the External Auditors appointed by the Board.
48. The Executive Director will submit to the External Auditor the accounts for the financial period no later than 31 March following the end of the financial period.
49. The Executive Director will submit to the Ethics and Audit Committee, for review and transmission to the Board, the audited financial statements for each financial year as well as the External Auditor's audit observations, during the first half of the following year.

IV. Procurement of goods and services

50. With due consideration to economy and efficiency, the Fund will procure quality goods and/or services for its operations. The Fund will apply procurement methods, consistent with those used by ADB and/or best international practice, as circumstances warrant. Generally, procurement will be made at the most competitive and/or comparative market prices available, using the most competitive procurement method applicable, and giving due regard to the qualifications of the supplier or provider, promptness of delivery, terms of payment and availability of adequate warranty and servicing facilities, and previous performance, among other things.
51. In order to achieve economy of price and save on administrative cost, the Fund will execute long term agreements (LTAs) and supply agreements for the purchase and supply of goods and services whenever feasible. Pricing provided under the LTAs will be subjected to periodic market testing or confirmation.
52. Goods and/or services will be standardized to the maximum extent possible. Inventories of goods will be constantly monitored and maintained at optimum levels, and the need for services will be anticipated well in advance.
53. In order to ensure an adequate, fair, and equal opportunity for eligible suppliers or providers to compete for contracts, the Fund will adopt the most suitable procurement procedure applicable to a particular purchasing situation and observe transparency and fairness throughout the procurement process. The Fund will adopt electronic procurement procedures whenever feasible and appropriate.
54. Recognizing the importance of transparency in the procurement process to combat fraud and corruption and further achieve economy and efficiency, all entities (firms or individuals) bidding for, or participating in, the Fund's institutional procurement of goods and/or services, including, but not limited to, suppliers, consultants, contractors, service contractors, and concessionaires, and their respective officers, employees and agents ("parties") will observe the highest standard of ethics during the procurement of goods and/or services

and execution of contracts. All parties will be required to report to the Executive Director any suspected integrity violations of which they have knowledge or become aware in relation to the bidding process, negotiation, or execution of a contract.

55. The Fund will take appropriate actions to manage conflicts of interest involving the Fund's staff and dependents, consultants, bidders, suppliers and contractors, including, but not limited to, rejection of proposals for award, if the Fund determines that a conflict of interest has flawed the integrity of any procurement process.

56. The Fund's staff will maintain the confidentiality of all information and documents relating to institutional procurement activities.

57. The Fund will strive to ensure that, whenever possible, goods and/or services to be procured conform to applicable legal and other requirements, including international environmental agreements entered into by the country where the goods and/or services would be procured from and used. These include goods and/or services that maximize the use of durable, reusable and energy efficient products and/or services, and low pollution goods and/or services that produce the minimum level of post-consumer waste and/or use recyclable content and have minimal impact on the environment. The Fund will likewise strive to apply environmentally responsible procurement principles to construction design processes, tendering and materials.

58. The Fund will require its institutional procurement to be environmentally responsible. The principles of corporate social responsibility will be reflected in requests for proposals, invitations for bids, bidding documents and solicitations issued by the Secretariat and applicable evaluation criteria to implement these policies will be included in the technical evaluation and considered in the cost analysis of all quotations, bids and proposals.

59. As a socially responsible organization, the Fund will require contractors and/or suppliers of goods and/or services to comply with applicable local and international social standards and/or requirements that provide for humane conditions of work, protection of occupational safety and health, reasonable wages and benefits, respect for diversity, strive for gender balance and other labour standards.

60. Goods received and/or services rendered pursuant to relevant contracts/agreements will be subject to periodic evaluation/audit by the user and/or authorized internal and/or external auditors in accordance with established guidelines and regulations.

61. In order to achieve a high degree of professionalism in the Fund's institutional procurement, the staff involved in institutional procurement and contracts administration will be provided with relevant training.

V. Information and communication technology

62. For the Fund to be successful in delivering its mandate, it will need to rely on effective and efficient ICT services that will enable its operations and support its business processes and objectives. The Fund will therefore establish quality ICT services that deliver best value for the Fund.

63. Strategies will be developed to ensure a close alignment of ICT services with the organizational and substantive priorities of the Fund.

64. In order to ensure a consistent approach in receiving effective and efficient ICT services, the Fund will apply the following guiding principles when selecting ICT solutions and services:

- (a) *Business drives ICT*: Any decision about ICT investments will be based on defined business requirements or mandates;

- (b) *Buy and customize before building*: Where requirements do not restrict it, preference will be given to off-the-shelf or already implemented and customizable ICT solutions and services;
- (c) *Outsource managed solutions and services*: Preference will be given to outsourced managed solutions and services, where feasible, secure and in the interest of the Fund;
- (d) *Data is accessible*: Selected ICT solutions and services will ensure that data is accessible to the Fund's staff, partners and clients from their different geographic locations;
- (e) *Data is secure*: Selected ICT solutions and services will ensure that classified data is protected from unauthorized use and disclosure (based on the Fund's requirements and data classification);
- (f) *Green ICT*: Greenness of an ICT solution and service will be a main selection criterion; and
- (g) *Adopting international best practices*: The Fund will adopt international best practices in the governance and management of ICT, to the extent possible.

65. The Fund will benefit from the location of its new headquarters in Songdo, Republic of Korea in its capability of receiving innovative and high-quality ICT services. For the Fund to continuously receive state-of-the-art ICT solutions and services, it will need to take innovative approaches in sourcing for such solutions and services.

66. In order to reach high levels of scalability, flexibility and efficiency, the Fund will aim to minimize the build-up of internal ICT technical personnel in favour of professionally managed outsourced ICT services with clear and robust service-level agreements.

VI. Audit

67. The administrative operations and financial management of the Fund will be audited regularly by external audit to ensure that the Fund's resources and operations are managed in an effective and efficient manner. In addition, the Executive Director will take all necessary actions to establish and implement effective internal controls.

68. The auditors will strive to be reliable advisers to the Board and the Executive Director, enabling cooperative governance guided by shared values to sustain a harmonious environment that embraces integrity, objectivity, accountability, transparency and pursuit of excellence.

69. The Ethics and Audit Committee will assist the Board in carrying out its responsibilities as they relate to matters such as the Fund's financial reporting and audits, including internal controls.

70. The Ethics and Audit Committee, in consultation with the Executive Director, will make recommendations to the Board on the appointment of an External Auditor to audit the annual financial statements of the Fund and ascertain their accuracy, provide opinions and suggest improvements. The External Auditor, who will be operating according to internationally accepted audit standards, will report to the Ethics and Audit Committee and the Risk Management Committee directly, as appropriate, and will endeavour to consult the Executive Director, as appropriate, during the audit operations.

71. The Executive Director will make the necessary arrangements for a regular internal audit and controls in the Secretariat and will establish an independent internal audit to oversee the daily operations, to ensure that the controls designed to manage risks and efficient use of resources are implemented effectively, and to suggest improvements in the effectiveness of risk management and control processes.

72. The Ethics and Audit Committee and Risk Management Committee as well the External and Internal Auditor will have full and unrestricted access to information and records relating to all Fund activities. They will be authorized to examine all files, records, data and any other materials relating to the Fund's business, as and when deemed necessary.

73. The auditors will remain free from influence or interference as to the objective and scope of their terms of reference, the frequency and timing of their audits and the content of their audit report.

74. The terms of reference of the External Auditor will be developed by the Secretariat and approved by the Board upon the recommendation of the Ethics and Audit Committee.

VII. Review of the Administrative Policies

75. The Administrative Policies will be reviewed in 2019 or at such a date as determined by the Board.

Appendix I: Code of Conduct of the Fund's Staff

I. Definitions

1. For the purposes of this Code of Conduct:
 - (a) "Immediate family" means spouse, child, mother, father, brother or sister;
 - (b) "Short-term trading" means any combination of the buying or selling of securities by staff members or their immediate family within a period of six months;
 - (c) "Staff members" means all staff regardless of the type of appointment;
 - (d) "Unpublished information" means any information which has not been publicly released pursuant to the provisions of the Information Disclosure Policy.

II. Application

2. This Code applies to all staff members and, where so provided, to the immediate family of staff members. Where this Code affects the interests and activities of the immediate family of staff members or requires disclosures pertaining to them, staff members must make appropriate inquiries and use their best efforts to secure compliance with this Code by, and in respect of, their immediate family members. Staff members must make any disclosures that may be required by this Code to the best of their knowledge following such inquiries.

III. General principles of conduct

3.1 Status of staff and propriety of action

3. In the discharge of their functions, staff members owe their duty entirely to the Fund and to no other authority, and must avoid any action, and in particular any kind of pronouncement, which may reflect unfavourably upon their position as employees of an international organization, either in their own country or elsewhere. They should always bear in mind the reserve and tact incumbent upon them by reason of their international function, and exercise the utmost discretion with regard to official business matters.

3.2 Privileges and immunities, exemptions and facilities

4. The privileges, immunities, exemptions and facilities that officials of the Fund enjoy, consistent with decision 3/CP.17 and the Governing Instrument, under the Agreement between the Republic of Korea and the Green Climate Fund concerning the Headquarters of the Green Climate Fund (Headquarters Agreement) and/or any other agreement or arrangement, are granted in the interest of the Fund and not for the personal benefit of individuals. Therefore, these privileges, immunities, exemptions, and facilities furnish no excuse to staff members who enjoy them for non-performance of their private obligations or failure to observe laws and police regulations. Staff members are expected to satisfy their obligations in good faith as residents of the host country, including all applicable personal obligations outside the Fund, the non-fulfilment of which could reflect unfavourably upon their position as staff members or could affect the efficient performance of their duties.
5. Having regard to the particular circumstances, the Executive Director may decide whether, in the interest of the Fund, a privilege or immunity provided for to a staff member

under Article 14 of the Headquarters Agreement or other agreement or arrangement providing for privileges and immunities of staff members should be waived.

3.3 Internal grievance and appeal procedures

6. The Executive Director will establish administrative review and appeal procedures for the review and settlement of the claims of staff members concerning the terms and conditions of their employment. Following completion of such procedures, staff will have the right of appeal to an Administrative Tribunal. Staff members who have such claims and had access to the foregoing procedures may not resort to national courts or other tribunals outside the Fund to resolve such claims.

IV. Disclosure of information

4.1 Disclosure of information and its use for private advantage

7. Except in the course of their official duties or with express authorization, staff members 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.

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

4.2 Publications and public speaking

9. Except in the course of their official duties or with express authorization, staff members during the term of their appointment or service may not:

- (a) 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;
- (b) 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
- (c) Speak on behalf of the Fund or state its policies as a participant in any seminar or conference.

4.3 Authorization

10. Authorizations referred to above are given by the Executive Director or designated official.

V. Political and external activities and interests

11. Staff members may exercise their political rights, but must refrain from participation in political activities that may interfere or conflict with their duties or their status as staff members. Staff members must not hold public office or appointment that, in the Fund's opinion, is incompatible with the proper performance of their official duties, and must obtain the prior approval of the Executive Director in respect of any such office or appointment. If they accept appointment to any national public office of a political character or accept a nomination for such an office, they must immediately resign from the Fund.

VI. Business affiliations and private activities

6.1 Private activities

12. Except with prior approval by the Executive Director, staff members must not hold private employment or engage in any occupation or own or operate any business which, in the Fund's opinion, is incompatible with the proper performance of their official duties. Moreover, staff members must not serve as a director, officer or partner of any entity, other than as an authorized representative of the Fund or with the prior approval of the Executive Director. Such prior approval will not be required with respect to services performed as a director or officer of a charitable, social or religious entity.

6.2 Trading activities on the Fund's premises

13. Without limitation to the foregoing, staff members and/or their immediate family must not engage in private trading activities, such as foreign exchange dealings, merchandising of goods, real estate brokering, money lending, or car renting or brokering on the Fund's premises or make improper use of commissary privileges.

6.3 Previous association

14. Staff members must not exercise any responsibility with respect to a Fund transaction involving a former employer other than a government or international organization, as:

- (a) A recipient or beneficiary of Fund's financing, investments or guarantees;
- (b) A guarantor of any such financing; or
- (c) A supplier of goods or services to the Fund, except as authorized by the Executive Director.

6.4 Prospective employment

15. Staff members who are seeking, negotiating or have an arrangement concerning prospective employment other than with the Fund must not exercise any responsibility with respect to a Fund transaction in which a prospective employer has or may have an interest of the kind set forth in Section 6.3.

6.5 Subsequent employment

16. Except with the authorization of the Executive Director, former staff members who have separated from the Fund may not, within two years after their separation from the Fund, perform services for any other entity or person, other than an international organization, government or government agency, in respect of any matter in which the Fund has an interest or to which the Fund is a party and in which the staff member participated personally and substantially while at the Fund.

VII. Retention of re-employment and pension rights

17. Upon employment by the Fund, staff members may retain re-employment or pension rights previously acquired in the service of another public or private organization.

VIII. Financial interest, investment and trading activities

8.1 Purchase of interest in recipient of Fund's financing

18. Except as otherwise provided in Section 8.3, staff members or members of their immediate family must not make investments in:

- (a) Securities (including investment funds) that the staff member's Division/Unit advised about or participated in creating within two years following the completion of their assignment;
- (b) Securities of an entity known by the purchaser to be an actual or prospective recipient of the Fund's financing, investment or guarantee; or
- (c) Securities of any company or other entity upon whose board of directors or trustees the staff member serves or served as part of staff member's duties for the Fund, except with respect to qualifying shares required by law or by the articles of such company or other entity.

19. If a staff member or an immediate family member has or comes into possession of any securities referred to in paragraph 18 above, the staff member must make arrangements for their prompt divestiture.

20. The provisions of this Section shall not apply to securities held by trusts, estates, investment funds or similar investment vehicles, provided that neither the staff member nor any immediate family member has the right to exercise investment discretion over investments made by such investment vehicles.

8.2 Previous involvement in decision-making process

21. Except as otherwise provided in Section 8.3 and where expressly authorized, staff members must not be involved in any decision-making process to determine the selection of any entity if they were previously employed or otherwise associated with such entity, which is:

- (a) A supplier of goods or services (including consulting or construction services) to be acquired or financed by the Fund, or which is being considered as a supplier;
- (b) A financial institution from which the Fund is a borrower or to which the Fund is otherwise indebted, or which has been selected or is being considered for selection as an underwriter for issuance of securities by the Fund; or
- (c) Otherwise engaged in financial transactions with the Fund.

22. Staff members or members of their immediate family must not purchase, directly or indirectly, debt or equity securities of, or any interest in, any such entity referred to above or any of its affiliates.

8.3 Permitted purchases of recipients of Fund's financing

23. Notwithstanding the foregoing, staff members and their immediate family may purchase securities of, or an interest in, an entity even though such entity or one or more of its affiliates is an actual or prospective recipient of Fund's financing or supplier of services to the Fund if:

- (a) The purchase is made for investment in shares consistent with the scale and nature of their usual investment activities;
- (b) The security or interest is publicly traded; and
- (c) After such purchase, their aggregate holding (whether held directly or indirectly) constitutes less than one per cent of the total of any class of the outstanding securities of the entity in which the investment is made.

8.4 Securities issued by the Fund

24. Staff members and their immediate family may invest in securities issued by the Fund, but must not engage in short-term trading in such securities. Buying or selling of a right or obligation to buy or sell such securities shall be treated as buying or selling the securities.

8.5 Currency trading

25. Staff members and their immediate family must not engage in short-term trading for speculative purposes in currencies of developing countries or in financial instruments denominated in the currencies of such countries. For such purposes, the term "financial instruments" includes debt instruments, financial futures and options on financial futures and "for speculative purposes" means to engage in such transactions for profit in amounts which are disproportionate to the normal annual expenditures or income of such person in such currency.

8.6 Prohibition of benefits from the Fund's transactions

26. Neither staff members nor members of their immediate family shall accept benefits, favours or gifts from sources external to the Fund with respect to any Fund transaction, whether by way of compensation, commission, favourable buying or selling arrangements, gift, employment or otherwise.

27. Staff members or their immediate family members who find themselves in circumstances which make it difficult to refuse any such benefit favour or gift must consult the Director, Support Services or designated official.

8.7 Internal gifts

28. Giving or accepting gifts among Fund's staff members is not allowed if intended to serve the purpose of obtaining or exchanging a favour; or influencing other staff members' performance of official duties or responsibilities. In particular, the conduct of supervisors must be free from intimidation or favouritism, and except as provided below, any solicitation or

acceptance by supervisors of favours, gifts or loans from staff members as well as offers of favours, gifts or loans by staff members to supervisors is prohibited.

29. On an occasional basis, and in accordance with tradition and culture, staff members may give gifts or contributions for an event of personal significance such as a marriage, birthday, childbirth, illness, or death; festive occasion; or occasion of movement or departure. Voluntary group contributions for food and refreshments to be shared at the office as well as personal hospitality at home or at other places such as a restaurant as is customary among friends and colleagues and not disproportionate under the circumstances, are not considered gifts for the purpose of this paragraph.

IX. Medals, decorations or similar honours

30. Staff members and former staff members may not accept medals, decorations or similar honours from any government, or from any other authority or person external to the Fund, for services rendered during the period of their appointment or service with the Fund. Staff members who find themselves in circumstances which make it difficult to refuse or decline any such medal, decoration or honour must consult the Executive Director or designated official.

X. Disclosure of financial and business interests

31. A staff member must promptly disclose to his/her Director or Head of Unit, any financial or business interest that he/she or an immediate family member has, which might reflect unfavourably on the Fund, or which might be in actual or perceived conflict with his/her duties. Upon such disclosure, the staff member must refrain from exercising any responsibility as a staff member that might affect such interest, except as otherwise directed by his/her Director or Head of Unit.

32. In the event the Fund has reason to believe that a staff member or an immediate family member has engaged in conduct or entered into a transaction prohibited under this Code, such staff member may be required to provide to the Fund a certified statement of relevant financial and business interests and to use best efforts to provide a comparable statement in respect of immediate family members.

XI. Sanctions

33. Staff members who fail to comply with their obligations shall be subject to the disciplinary procedures and sanctions for unsatisfactory conduct and misconduct set out in the administrative guidelines, including the possibility of termination or summary dismissal, if warranted by the gravity of the misconduct in question.

XII. Annual declaration of compliance

34. Staff members are required to submit an annual declaration of compliance in the first quarter of each year or as directed by the Executive Director or designated official. Newly-appointed staff members must submit an annual declaration of compliance within 90 days of their appointment or as otherwise directed by the Executive Director or designated official.

Appendix II: Affirmation

Upon appointment, each staff member shall subscribe in writing to the following affirmation:

"I solemnly affirm that:

I will carry out my responsibilities to the best of my ability in a manner that furthers the purpose of the Green Climate Fund;

I have read and understood the Fund's Administrative Policies and Administrative Guidelines and agree to abide by them and any additions or alterations to them that may be issued from time to time;

I will accept no instruction with regard to the performance of my duties from any government or authority external to the Fund."



GREEN
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