



The Bank Management's Compliance Policy to Arrive at Best Practices and Prevent Wrongful Practices

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Management Policy on Malpractices at CVDB

We the management at CVDB acknowledge our critical role in creating an organisation based on compliance to laws and regulations and one in which good and fair values are adhered to by all sections of the employees and stakeholders in all their dealings.

Towards this objective we hereby resolve that:

- It is our primary responsibility to create an organisational climate that encourages commitment on the part of all our employees and stakeholders to be trustworthy and adhere to honest and fair practices/behaviour
- To establish systems which enable all employees to understand ethical behaviour and handle ethical issues
- To establish policies and procedures which enable handling of malpractices/misbehaviour in a satisfactory manner and prevent such situations in the future.

We, the management of the Cities and Villages Development Bank, acknowledge our decisive role in building an organization based on compliance with laws and regulations in which we commit to fair values by all staff and stakeholders in all our dealings.

To achieve this goal, we have decided the following:

- Our basic responsibility is represented by creating a regulatory climate that encourage compliance by all our staff and stakeholders so that they are trustworthy and abide by honest and fair practices / behaviors.
- Create systems that enable the staff to understand ethical behavior and handle ethical issues
- Create policies and procedures that ensure the ability to handle wrongful practices / misbehavior in a satisfactory fashion and prevent such occurrences in the future.

Integrity Commission:

- Compliance with internal legislative and ethical standards
- Guarantee and oversee compliance with legislation, regulations and policies adopted by the management
- A legislative and legal framework that handles violating and wrongful practices and behaviors and prevents their reoccurrence leads to the sustainability and development of the business environment
- Access to clear, standard and stable services and work procedures that ensure equity, equal opportunity, and sustainable development.



ANNEX I: Prohibited Practices for GCF-Funded Projects

For GCF-funded projects, CVDB will maintain a zero-tolerance policy in regard to the prohibited practices as detailed in the GCF's Policy on Prohibited Practices. The following practices are considered to be prohibited for all GCF-related activities specifically:

- (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 or other undue advantage for oneself or for a third party, or to avoid an obligation;
- (iii) **“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;
- (iv) **“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;
- (v) **“Obstructive practice”** includes: Deliberately destroying, falsifying, altering, concealing, or unreasonably withholding evidence or other requested information, documents or records, which are material to a Fund investigation; Making false statements to investigators in order to materially impede a Fund investigation; 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 Materially impeding the Fund's contractual rights of audit or access to information;
- (vi) **“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;
- (vii) **“Money Laundering”** 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;
- (viii) “**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;
 - (ix) “**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;
 - (x) “**Harassment**” means unwelcome verbal or physical behaviour that unreasonably interferes with work or creates an intimidating, hostile or offensive work environment;
 - (xi) “**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;
 - (xii) “**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 or other undue advantage for oneself or for a third party, or to avoid an obligation;
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 - (xv) “**Obstructive practice**” includes: Deliberately destroying, falsifying, altering, concealing, or unreasonably withholding evidence or other requested information, documents or records, which are material to a Fund investigation; Making false statements to investigators in order to materially impede a Fund investigation; 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 Materially impeding the Fund’s contractual rights of audit or access to information;
 - (xvi) “**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;
 - (xvii) “**Money Laundering**” 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;

- (xviii) “**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;
- (xix) “**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 definitions used in the Interim Policy, as elaborated in the AML/CFT policy (decision B.18/10) offence as set out in Article 2 of the International Convention for the Suppression of the Financing of Terrorism.



ANNEX II: Gender-Specific Principles of Anti-Fraud and Corruption

In addition to the prohibited practices detailed in Annex I, CVDB is also committed to considering gender-specific concerns to ensure that this policy is inclusive and addresses the unique challenges that different genders may face. Below is a list of gender-specific concerns that this policy has considered:

- **Gender-Based Extortion:** Women may be at a higher risk of being victims of gender-based extortion or sexual harassment in corrupt environments..
- **Barriers to Reporting:** Women may face cultural or societal barriers that deter them from reporting fraud or corruption, such as fear of retaliation or being disbelieved. CVDB's Whistleblower Policy provides mechanisms to report anonymously and protect whistleblowers, particularly the potentially unique risks and concerns faced by female whistleblowers.
- **Gender Disparities in Employment:** CVDB is actively seeking to increase the roles and number of women in leadership positions at the Bank. The policy should aim to promote gender diversity and equity in leadership positions.
- **Access to Information:** Gender disparities in access to information and decision-making can leave women with less knowledge about corrupt practices or how to report them. CVDB is committed to providing opportunities and provisions for gender-sensitive training and awareness programs for employees (see the gender training modules uploaded in Section 7).
- **Maternity and Family-Related Leave:** CVDB is compliant with Jordanian laws regarding maternity leave, and ensure that women are not discriminated against or penalized for taking time off work.
- **Resource Allocation:** In some cases, women may receive fewer resources or opportunities than men. CVDB is committed to promoting equitable resource allocation and ensure that women have equal access to benefits and opportunities without facing discrimination, as detailed in the Strategic Plan 2023-2027.
- **Gender-Specific Corrupt Practices:** Some types of corruption may disproportionately affect women, such as bribery related to healthcare or education. The policy has mitigated these to the extent possible in its existing policies.
- **Awareness and Training:** Consider that gender-specific training and awareness programs may be necessary to address the particular challenges and vulnerabilities that women may face in corrupt environments.



- **Data Collection and Analysis:** Where possible, CVDB is committed to the collection and analysis of gender-disaggregated data to identify gender-specific trends or vulnerabilities related to fraud and corruption.