



GREEN
CLIMATE
FUND

NOTIFICATION

Date: **10 May 2017**

Reference: GCF/notif/2017/04

Call for Public Input

Whistleblower and Witness Protection Policy

Deadline: 24 May 2017

The Green Climate Fund is pleased to invite public input for the development of its whistleblower and witness protection policy.

This call follows the Fund's Board decision at its 15th meeting in November 2016 ([B.15](#)) that approved the development of a whistleblower protection policy as indicated by paragraph 14 of document GCF/B.15/20.

Contributions may be submitted until 11.59 pm KST on 24 May 2017 and should be sent to the following address: wbpp@gcfund.org, while also copying integrity@gcfund.org.

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**GREEN
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Call for Public Submissions

Whistleblower and Witness Protection Policy

I. Inputs requested

1. At its fifteenth meeting, the Board of the Green Climate Fund (GCF) approved the 2017 Work Plan of the Independent Integrity Unit (IIU) which included the development of a whistleblower protection policy (GCF/B.15/24: DECISION B.15/13; GCF/B.15/20). This policy is intended to be submitted to the Board for decision at its seventeenth meeting in July 2017.

2. The terms of reference of the (IIU) require that the IIU collaborates and consults in recommending improvements to GCF's integrity policies and procedures (GCF/B.06/18: DECISION B.06/09(b)). Given the internal and external applications anticipated of the whistleblowing policy, the IIU aims to follow a consultative process and seek also public input to inform the scope and content of the said policy. Any individual or organization may send a submission.

II. Deadline

4. The deadline for public submissions is 24th May 2017 at 23:59 Korean Standard Time.

III. Background

5. The Independent Integrity Unit (IIU) is mandated in paragraph 68 of the GCF's Governing Instrument and was established at the Board's Fourth meeting in 2013 (GCF/B.04/17: DECISION B.04/09(f)). The IIU's Terms of Reference (GCF/B.06/18: DECISION B.06/09(b)) state that the IIU is "to work with the Secretariat and report to Ethics and Audit Committee and to the Board, to investigate allegations of fraud and corruption and other prohibited practices (coercive and collusive practices, abuse, conflict of interest and retaliation against whistleblowers) in line with best international practices and in close coordination or cooperation with relevant counterpart authorities."

6. Pursuant to these decisions, the GCF's Board has adopted a number of integrity policies establishing the Fund's values and principles. These include the Administrative Guidelines on Human Resources (GCF/ B.08/17), the Policy on Ethics and Conflicts of Interest for the Board of the Green Climate Fund (GCF/ B.09/03), the Policy on Ethics and Conflicts of Interest for External Members of the Green Climate Fund Panels and Groups (GCF/ B.10/13), the Policy on Ethics and Conflicts of Interest for the Executive Director of the Green Climate Fund (GCF/ B.10/13), the General Principles to Prevent Prohibited Practices, and the Policy on Ethics and Conflicts of Interest for Board Appointed Officials (GCF/B.13/32/Rev.01).

7. In addition, at its twelfth meeting, the Board considered the Accreditation Master Agreement Template as an appropriate basis to establish contractual relationships with accredited entities. In that context, the Board decided “to adopt the General Principles on Prohibited Practices, as presented in ... the template Accreditation Master Agreement, as the Fund’s interim policy on prohibited practices to be observed by accredited entities, and readiness partners” (GCF/B.12/32).

8. The General Principles provide that retaliation against whistleblowers and witnesses is a prohibited practice. However, a bespoke policy is wanting on whistleblower and witness protection which sets out the terms and conditions of who may report what (integrity violations, misconduct or other irregularities) and of what protections may be afforded to whom by the GCF. Such a policy is essential for supporting people to report wrongdoing and avoid retaliation. In doing so, the policy will help the GCF be better able to detect, address and resolve problems which would otherwise undermine the GCF’s integrity, reputation and objectives.

9. The policy on protection of whistleblowers and witnesses is an expression of GCF’s zero-tolerance of fraud and corruption, and is intended to provide clear avenues for exposing fraud and integrity violations. By so doing it would facilitate the effective prevention and/or detection of such malfeasance. Furthermore, it would enable the GCF to safeguard the resources entrusted to its care and ensure that those resources are deployed to meet the mandate of the GCF to finance projects that support the achievement of the goal of reversing climate change.

IV. Issues the public may wish to address

12. Public submissions may wish to address all or some of following matters related to the Whistleblower and Witness Protection Policy:

(a) Whistleblowing

(i) In the context of GCF operations, activities and programmes, who or what actors should have an obligation to report prohibited practices (as listed in the General Principles on Prohibited Practices (see Annex I below), harassment (included as a prohibited practice in the GCF’s ethics and conflict of interest policies) and misconduct (usually referring to a violation by staff of organisational rules and regulations)? Should other acts or behaviour also be included as a reporting obligation?

(ii) Related to the above, who or what other actors associated with GCF should be able to report prohibited practices, harassment, or misconduct (including when such conduct or activities are perceived or potential)? Should these actors also be able to report any other wrongdoing such as illegal or hazardous activities which are of concern to or threaten the public interest –and if so what?

(iii) In that context, should the GCF’s whistleblowing principles underscore that whistleblower protections and duties override confidentiality and other pertinent rules?

(b) Witnesses

(i) Witnesses may be understood as any person who is not the subject of an investigation but who provides information or evidence on request regarding a matter under investigation. Is this a sufficient understanding of witnesses who would be eligible for protection?

(c) Retaliation

(i) Is the interim definition of retaliation (see Annex I below) best suited to trigger the need for protection by concerned actors? Should this be improved? If should, how?

(d) Protection

(i) What protections should the GCF afford to whistleblowers and witnesses? Should they include protection from retribution, preservation of confidentiality and/or anonymity and personal safety protection?

(ii) In what situations should such protection not be provided e.g. when someone knowingly discloses false information?

(iii) Should whistleblowers and/or witnesses be protected from sanctions or disciplinary actions arising from their own wrongdoing?

(iv) How can the GCF best ensure that such protections are implemented?

(e) Scope

(i) Who can be a whistleblower or witness and eligible for protection and under what circumstances? Any individual or organisations with an interest in the GCF (e.g. GCF staff, advisors, technical experts, board members, observers, contractors and subcontractors, accredited and other funded entities, national designated authorities, project or programme beneficiaries, other stakeholders)? How can this remit be best defined?

(ii) In addition to the above, who else might be eligible for protection from retaliation and under what circumstances? Should protection extend to persons who suffer from retribution or discrimination for refusing to participate in wrongdoing? Should family members and close friends or associates of whistleblowers and witnesses be included? Should protection extend to persons who are perceived to be whistleblowers or witnesses?

(f) Reporting, responsiveness, communications and outreach

(i) What information should a whistleblower provide when making an initial disclosure?

(ii) What useful information should the GCF communicate to the public regarding its whistleblower and witness protection policy and operations to facilitate user engagement?

(iii) How can the GCF best demonstrate that it is responsive to whistleblowers and is effectively implementing its protection policy?

(iv) How can the remits of the Independent Integrity Unit (IIU) and the Independent Redress Mechanism (IRM) best be communicated to and understood by the public to ensure the best efficiency in terms of resources and responsiveness?

(g) Given the need to ensure effective implementation through an independent function, free from the influence of management, what GCF office ought to be the custodian of the Whistleblower and Witness Protection Policy, and be primarily responsible for its implementation?

(h) Please state any other concerns or issues to be addressed by the GCF's whistleblower and witness protection policy.



V. Submissions

13. Submission on behalf of an organization or group of Organizations, in Microsoft Word format, should be sent via email as one document with the subject line "WBPP–Public submission"

to:

wbpp@gcfund.org, with copy to integrity@gcfund.org

Submissions should clearly indicate:

Full Name of individual or organization

Title/Position

Organization/Affiliation

Contact details including telephone and e-mail address

Organization's Focal Point (name, surname and position).

14. Submissions should indicate whether they are provided on behalf of an individual or a group of individuals or an organization or a group of organizations. In the case where the submissions are provided on behalf of a groups of individuals or organizations, the list of individuals or organizations should be included in the submission.

VI. Disclaimer

15. Submissions provided may be publicly disclosed, made available on the GCF's website, and/or incorporated in whole or in part in documents presented at consultations and to the Board. If any portion of the submission is to be kept confidential: (a) the confidential text should be clearly indicated, and (b) redaction prior to disclosure should be expressly requested in the submission.



Annex I - General Principles on Prohibited Practices

I. Introduction

1. The Green Climate Fund ("Fund") is strongly committed to preventing and combating fraud, corruption, Money Laundering, Terrorist Financing and other Prohibited Practices (as defined below), in accordance with international standards. In that regard, it expects all individuals and entities involved in Fund-related Activities (as defined below) to observe the highest standards of ethics and to take appropriate measures to prevent and combat such Prohibited Practices.

II. Scope

2. These General Principles shall apply to all:

a. "**Fund-related Activities**", which means any activity which is financed, administered or supported by the Fund, either with its own resources or those of others, or any activity that materially affects or may affect or otherwise be relevant to the Fund, and

b. "**Counterparties**", which means any party that contributes to, executes, implements, bids for, benefits from, or in any way participates in, Fund-related Activities, including receiving, or being a beneficiary of, a grant, loan or other form of financing or support from the Fund, in respect of "**Prohibited Practices**" as defined in paragraph 4 below, including attempts to commit or suspicions thereof. For the avoidance of doubt, Fund-related Activities include Funded Activities as defined in the Agreement, and Counterparties include the Accredited Entity and any Executing Entity.

III. General Requirements of all Counterparties in relation to Fund-related Activities

3. The Fund requires all Counterparties to:

a. adhere to the highest ethical standards;

b. take all appropriate measures to prevent or mitigate fraud, corruption, and other Prohibited Practices; and

c. refrain from engaging in Prohibited Practices in connection with Fund-related Activities.

4. **Prohibited Practices.** The practices defined in this paragraph are prohibited ("Prohibited Practices") in relation to Fund-related Activities:

a. "**Corrupt practice**" means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value (including but not limited to gifts, gratuities, favors, invitations, and benefits of any kind) to influence improperly the actions of another party.

b. "**Fraudulent practice**" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.

c. "**Coercive practice**" means the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

d. "**Collusive practice**" means an arrangement between two or more parties designed to achieve an improper purpose, including to improperly influence the actions of another party.

e. "**Obstructive practice**" includes (i) deliberately destroying, falsifying, altering, or concealing evidence material to an investigation; (ii) making false statements to investigators in order to materially impede an investigation; (iii) failing to comply with requests to provide information,



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documents or records in connection with a Fund investigation; (iv) threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (v) materially impeding the Fund's contractual rights of audit or access to information.

f. "Abuse" means theft, misappropriation, waste or improper use of property or assets related to Fund-related Activity, either committed intentionally or through reckless disregard.

g. A "conflict of interest" is 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 deemed to, improperly influence its performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations.

h. "Retaliation against whistleblowers or witnesses" means any detrimental act, direct or indirect, recommended, threatened or taken against a whistleblower or witness, or person associated with a whistleblower or witness, in a manner material to a complaint because of the report or cooperation with a Fund investigation by the whistleblower or witness.

i. "Money Laundering" has the meaning as set forth at paragraph a below.

j. "Terrorist Financing" has the meaning as set forth at paragraph b below.

5. Additional Terms and Definitions - For the purposes of this document, the following terms have the meanings ascribed to them below:

a. "**Money Laundering**" refers to: (a) the conversion or transfer of property, knowing that such property is the proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the crime to evade the legal consequences of his or her action; (b) the concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, knowing that such property is the proceeds of crime; or (c) the acquisition, possession or use of property knowing at the time of its receipt that it is derived from a criminal offence.

b. "**Terrorist Financing**" means the act of, directly or indirectly, providing or collecting funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out terrorist acts.

IV. Action to be taken by Counterparties to Combat Prohibited Practices in relation to Fund-related Activities.

6. All Counterparties shall take timely and appropriate measures to:

a. ensure that Fund-related Activities are carried out in accordance with these General Principles;

b. disclose and address conflicts of interest in a Fund-related Activity. If a conflict of interest or deemed conflict of interest arises, the Counterparty will promptly inform the Fund thereof and shall follow the instructions of the Fund on how to address such conflict or deemed conflict;

c. prevent Prohibited Practices from occurring in relation to a Fund-related Activity, including 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;



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- d. promptly inform the Fund of allegations of Prohibited Practices found, suspected or alleged in connection with a Fund-related Activity;
- e. investigate allegations of Prohibited Practices and report preliminary and final findings of investigations to the Fund;
- f. respond to, mitigate, and remedy Prohibited Practices that are found to have occurred in a Fund-related Activity and prevent their occurrence;
- g. cooperate fully with the Fund in any Fund investigation into allegations of Prohibited Practices related to 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 of their relevant accounts, records and other documents and have them audited by or on behalf of the Fund; and
- h. ensure that individuals or entities sanctioned by the Fund do not participate in Fund-related Activities in violation of their sanction.

V. Actions to be taken by the Fund in cases of Prohibited Practices in relation to Fund related Activities.

7. The Fund, through the Integrity Unit or any office of the Fund duly authorised to receive reports, investigate, and address allegations or suspicions of Prohibited Practices prior to the establishment of the Integrity Unit, shall:
- a. inform a Counterparty of credible and material allegations or other indications of Prohibited Practices related to a Fund-related Activity;
 - b. have the right to investigate allegations independently or in collaboration with competent authorities and/or the Counterparty;
 - c. inform the Counterparty of the outcome of any investigation;
 - d. have the right to reject or disqualify a proposal for a Fund-related Activity if it determines that the Counterparty has directly or indirectly engaged in any Prohibited Practices;
 - e. have the right to sanction any Counterparty for engaging in Prohibited Practices in accordance with the Fund's policies, guidelines and procedures, as may be adopted and amended from time to time; sanctions may result in that Counterparty's exclusion from participating in a Fund-related Activity indefinitely or for a stated period of time;
 - f. without limiting the generality of the foregoing, have the right to impose one or more of the following measures on a Counterparty for engaging in Prohibited Practices in connection with a Fund-related Activity:
 - i. Reprimand – the Fund may send a formal letter of reprimand of the Counterparty's behaviour;
 - ii. Cancellation or suspension – the Fund may cancel or suspend a portion of Fund proceeds allocated to a Counterparty but not yet disbursed under a financing agreement or contract for goods or services;
 - iii. Debarment – the Fund may declare a Counterparty, either indefinitely or for a specified period of time, ineligible:
 - 1) To be awarded future financing from the Fund;

- 2) To be awarded a contract financed by the Fund;
 - 3) To benefit from a contract financed by the Fund, financially or otherwise, for example as a subcontractor; and
 - 4) To otherwise participate in Fund-related Activity, in whole or in part;
- iv. Conditional Non-Debarment – the Fund 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 of time;
- v. Restitution of funds – the Fund may require restitution of improperly used or diverted Fund proceeds; and
- g. have the right to (i) share information on sanctions imposed pursuant to subparagraphs e and f with other international organisations, multilateral institutions and competent authorities, and (ii) recognise sanctions determined by other international organisations, multilateral institutions and competent authorities, if appropriate.