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2020 Annual Implementation Report on the Policy on the Protection of Whistleblowers and Witnesses

Summary

This document contains the Annual Implementation Report on the Policy on the Protection of Whistleblowers and Witnesses (decision B.BM-2018/21). This report explains how the Policy was implemented in 2020 with a view to identifying what worked well and what could be strengthened to ensure policy effectiveness.

I. Introduction

1. The *Policy on the Protection of Whistleblowers and Witnesses* (hereinafter, the “Policy”) was adopted by the Board of the Green Climate Fund (GCF) in decision B.BM-2018/21 and became effective as of 21 December 2018. The Policy aims to empower persons to report to the GCF suspicions of Wrongdoing¹ in Fund-related Activities without fear of retaliation by providing for accessible and secure reporting channels and for whistleblower and witness protection. In this way, the Policy serves to promote institutional accountability and to aid the GCF in safeguarding its interests, resources, and mission by detecting and mitigating financial and reputational risks.

2. By paragraph 71 of the Policy, the IIU is required to report to the GCF Board annually on the implementation of the Policy and also to communicate that report to the Executive Director for information and for the possibility to provide comment. Accordingly, the IIU has prepared and communicated this report to reflect the Policy’s implementation in 2020 (January to December 2020). This report succeeds the [2019 Annual Implementation Report on the Policy](#) and the [Secretariat Management Response to that Report](#) submitted as information documents at B.27.

3. As the 2019 Annual Implementation Report was the first of its kind, the IIU also provided substantial Policy-related information including a summary of Policy provisions of the roles and responsibilities of the IIU, the GCF Secretariat, the Executive Director and Head of the Independent Redress Mechanism. This information, which remains largely unchanged, may be referred to in the 2019 Report and need not be repeated here.

4. The main aim of this 2020 Annual Implementation Report is to ensure that the GCF is accountable and transparent regarding the effective implementation of the Policy. In that regard, this Report focuses on how the Policy was implemented to ensure the following key Policy provisions such as that:

- (a) Any person suspecting Wrongdoing in a GCF funded or Fund-related Activity is able to report, without fear of retaliation and in good faith, Wrongdoing to the GCF through the IIU or the Ethics and Audit Committee (EAC), or to the relevant Counterparty implementing a Fund-related Activity;
- (b) Channels for whistleblowing in GCF funded or Fund-related Activities are easily accessible and available, as far as possible in local languages of concerned groups or communities at the GCF or where funded activities are implemented; and
- (c) Any Whistleblower or Witness is availed the protections afforded by the Policy and/or by the similar policies or procedures of GCF Counterparties.

5. As such, maintaining this focus, the Report does not detail implementation on each provision of the Policy. However, a separate section of the report dealing with additional concerns is included to address specific issues which arise regarding Policy provisions not covered under 4(a) to (c) above.

II. Effective Reporting of Suspected Wrongdoing

6. In 2020, whistleblowing activity comprised a total of 31 reports made to the IIU of which: 20 reports were submitted by GCF Personnel; one report was provided by a retired GCF Personnel; one report was communicated by an Accredited Entity; 8 reports were made by

¹ *Policy on the Protection of Whistleblowers and Witnesses*, para. 5(s): “Wrongdoing” means conduct that violates GCF policies or which involves significant risk to the GCF because it is harmful to its interests, reputation, operations, or governance. Wrongdoing includes but is not limited to Misconduct, Prohibited Practices, and Conflicts of Interest.

other third parties; and one report was made anonymously. By type of reports, four were related to GCF projects and programs; 17 were related to staff misconduct; and the 10 remaining cases were either operational disputes, environmental matters, or other non-integrity related issues. None of the reports were determined to be false or malicious, and no External Reports were made directly to bodies outside the GCF.

7. Similar to 2019, Whistleblowers chose to contact the IIU directly by telephone, email, and in person, while one Whistleblower requested to be considered anonymous. Reports were made in a timely manner, without any substantial delays, and based on a reasonable belief that Wrongdoing had occurred.

8. Like the situation in 2019, information regarding the number and typology of reports made to the Chair of the EAC were not reflected in the EAC's reports to the Board in 2020². However, it is anticipated that this information should be made available when the Committee selects its new Chairperson in 2021.

9. As recommended in the 2019 Annual Implementation Report on the Policy, the IIU should coordinate with the GCF Secretariat and the EAC to regularly gauge the views of Covered Individuals regarding the effectiveness of the reporting mechanisms of the Policy. Based on these user perspectives, GCF should consider and implement improvements as necessary.

10. In 2020, the Independent Redress Mechanism (IRM) received three complaints and looked into 10 pre-cases. A pre-case is a communication from an external party to the IRM that is registered in the Case Management System as a pre-case and may or may not mature into a complaint. Of these three complaints: one was declared ineligible; one was declared eligible and proceeded to problem solving with the agreement of parties; and proceedings on one was suspended following a request from the complainant. More details of these cases are in the [IRM's 2020 Annual Report](#) and in the descriptions of [pre-cases found on the IRM's website](#). Those who file complaints with the IRM or whose communications are treated as pre-cases by the IRM are generally also covered as Whistleblowers under the Policy.

11. Information on the number and typology of reports made by Whistleblowers to GCF Counterparties (as defined in the Policy) in the course of 2020 was not available to the GCF or the IIU. Hence, the scope and frequency of whistleblowing activity (as an indicator of effective implementation) in GCF-Funded activities cannot be provided here.

III. Effective Whistleblowing Channels

12. Overall, in 2020, clarity on channels for reporting Wrongdoing to the IIU improved. The IIU website continues to provide clear information in English, and the GCF's main website section on projects now provides IIU contact details under each individual project.

13. As indicated above, reporting to the IIU employed channels including telephone, e-mail, and in-person visits. In 2020, the IIU took steps to introduce an enhanced reporting system and case-handling platform which intends to encompass a 24/7 multilingual hotline system, web-reporting support, and a mobile application. This new system, which is expected to become operational in 2022, will facilitate confidential and anonymous reporting from Covered Individuals and third parties alike.

14. As a component of ensuring effective whistleblowing channels, the IIU initiated collaboration with the Secretariat to develop and clarify its Investigation Standards (Standards). In part, this exercise sought to elucidate investigation procedures and time frames/limitations in response to concerns raised in 2019 by the Secretariat. On one hand, the IIU needed to ensure

² GCF/B.27/Inf.11 [Reports from Committees, Panels, and Groups of the Board of the Green Climate Fund](#);
GCF/B.26/Inf.10 [Reports from Committees, Panels, and Groups of the Board of the Green Climate Fund](#).

that the Standards provide for sufficient time for the IIU to conduct and complete case assessments before making the determination to launch an investigation. On the other hand, the Secretariat wanted, inter-alia, for the Standards to set time limits for how long interim measures for whistleblower protection may be applied. The Secretariat has also been concerned that extended delays may impede the course of justice, especially cases where the subject is aware of the matter or where the offence is perpetuated.

15. As the Policy requires, reports of suspected Wrongdoing, which concern or involve GCF Board Members, Alternate Board Members, their Advisors, the Executive Director, the Head of the IIU, and IIU Personnel, are to be submitted to the Chair of the EAC. Whilst this information is provided in the Policy, it is not clearly visible on the GCF's website or other media. Regarding this matter, the IIU should consult with the EAC and the Secretariat, with a view to agreeing on and taking the appropriate steps to provide necessary clarity.

16. Further, from October to December 2020, the chairmanship of the EAC was vacated and a new Chair was not selected. At present, GCF policies do not explain what procedures for whistleblowing should be followed in such a situation. It is unclear who or what body in place of the EAC Chair is responsible for handling and responding to whistleblower reports. Going forward, the EAC and/or the Board should take steps to agree on interim procedures to be followed in such situations.

17. In accordance with paragraph 64 of the Policy, the IIU is obligated to "ensure that channels for reporting suspected Wrongdoing are easily accessible and available, as far as possible in local languages of concerned groups or communities." To that end, the IIU provides a [list of 47 Accredited Entity \(AE\) reporting channels](#) on the IIU website. This list was not updated in 2020 despite the growing number of AEs. Going forward, the IIU must endeavour to ensure that *all* AE reporting channels are visible on the IIU website. The IIU should also support the GCF Secretariat to provide such information on reporting channels on the GCF website where contact information is provided for individual GCF projects or programmes.

18. In 2020, in relation to paragraph 70 of the Policy, the IIU's collaboration with the Secretariat was limited with regard to the IIU providing advice and ensuring "the effective implementation of the Policy including that Counterparties have effective whistleblowing and witness protection policies and practices in place". The IIU recognises that more study is needed to assess how effective the channels for reporting of Accredited Entities, Executing Entities, delivery partners, or other relevant Counterparties are at the project or country level. As indicated above, that effectiveness examination would need to take account of how easily they are accessible and available in local languages of concerned groups or communities. Accordingly, the IIU should undertake, in collaboration with the GCF Secretariat, a review of the effectiveness of Counterparty reporting channels in GCF Funded Activities.

IV. Protections and Remedies for Whistleblowers and Witnesses

19. In 2020, the IIU continued to apply confidentiality rigorously. All information provided by Whistleblowers and Witnesses was treated in strict confidence. Appreciating concerns raised by the Secretariat in 2019, the IIU introduced additional document security measures to ensure that redacted information could not be detected. In instances where the IIU had to disclose some information on a need-to-know basis, the IIU obtained consent from relevant parties prior to disclosure. In addition, the IIU continued to maintain a high level of security for electronic and physical information or evidence stored within its offices and case management system.

20. The Secretariat also assured confidentiality of IIU investigation reports or other information which it receives for the purpose of implementing protective, corrective, or other measures or remedies. The information is accessible only by the Executive Director and parties with a legitimate need-to-know privilege, such as the Director of the Division of Support

Services (DSS), who is responsible for initiating formal disciplinary procedures as per the *Administrative Guidelines on Human Resources (AGHR)* and other staff that the ED may authorize to have access as per paragraph 9.3, Appendix 2 to Section G of the AGHR.

21. Likewise, in 2020, the IRM applied its *Procedures and Guidelines and Supporting Operating Procedures* to afford protection as required in accordance with the Policy and the IRM's mandate. In every complaint filed with the IRM, a retaliation risk assessment is carried out from the outset and updated as the case progresses. Confidentiality was granted to complainants in two such cases at their request.

22. With regard to requests and provisions for interim personal safety and well-being, and protection from retaliation during 2020, the IIU recommended that the GCF Secretariat provide such protection for one GCF Whistleblower. Accordingly, the GCF Secretariat implemented appropriate arrangements and protective measures for said GCF Personnel.

23. In 2020, the EAC's periodic reports³ to the Board did not reflect any activity with regard to whistleblower or witness protection considered or provided by the EAC Chair.

24. Regarding the implementation effectiveness of whistleblowing policies of AEs or other Counterparties in GCF Funded Activities, information could not be provided by the Secretariat. This is because current reporting frameworks (annual Self-Assessment Reports and Annual Project Reviews) do not specifically request that such information be provided. The Secretariat has asked repeatedly that the IIU provide guidance to demonstrate such implementation effectiveness. Going forward, to help the IIU and the Secretariat coordinate on this matter, the IIU advises that Counterparties implementing GCF Funded Activities provide, at a minimum, the following information to the GCF annually:

- (a) Evidence that reporting channels and means of enabling stakeholders to be aware of the existence of such channels;
- (b) Language of reporting channel operations;
- (c) Reporting channel use statistics including number of reports received concerning what matters (typology) and number of cases investigated and resolved; and
- (d) Number of requests for whistleblower or witness protections and types of protection provided.

25. Further, in the Board decision to adopt this Policy, the Board requested "the Secretariat, in consultation with the Accreditation Committee and the Independent Integrity Unit, to revise the initial basic fiduciary standards (as adopted through decision B.07/02, paragraph (b)) to ensure that that Counterparties have effective whistleblower and witness protection policies and practices in place that are comparable to those set out in this Policy." The IIU advised in its 2019 Annual Report that the GCF's *Initial Fiduciary Principles and Standards* be updated to reflect obligations set out in the Policy. However, the said update was not achieved in 2020. Going forward, the update of the *Initial Fiduciary Principles and Standards* should be pursued with highest priority.

V. Recommended Actions

26. With regard to the above considerations, the IIU recommends that the IIU, the GCF Secretariat, and the EAC undertake to ensure improved effectiveness of the Policy on the Protection of Whistleblowers and Witnesses. Accordingly, the IIU, the GCF Secretariat, and the EAC should take measures to ensure that:

³ GCF/B.27/Inf.11 [Reports from Committees, Panels, and Groups of the Board of the Green Climate Fund](#);
GCF/B.26/Inf.10 [Reports from Committees, Panels, and Groups of the Board of the Green Climate Fund](#).

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- (a) The IIU's multilingual hotline for reporting suspected Wrongdoing is available 24/7 without delay;
 - (b) Channels for reporting to or through Accredited Entities are presented fully and clearly on the GCF website in relation to projects and on the IIU's website;
 - (c) Counterparties implementing Funded Activities in recipient countries:
 - (i) Provide clear, easily accessible information on their whistleblower and witness protection policies, procedures, and channels for reporting in relation to the funded activity and for the benefit of and in the language of local actors and affected communities; and
 - (ii) Report regularly on the effectiveness of those policies in the implementation of GCF Funded Activities;
 - (d) Channels of communication regarding whistleblowing and witness protection procedures and activities of the EAC are made sufficiently transparent so as to achieve the Policy aims and its effective implementation;
 - (e) Covered Individuals are consulted on their views as to the effectiveness of the Policy with a view to providing essential feedback for the 2021 Annual Implementation Report; and
 - (f) The *Initial Fiduciary Standards and Principles* are updated without delay to ensure that standards and principle established by GCF integrity policies including the present Policy are provided to inform the GCF's readiness program, accreditation processes, and accountability framework.

Annex I: Process and Key Outcomes of GCF Consultations Concerning the Policy on the Protection of Whistleblowers and Witnesses Implementation Report for 2020

1. In accordance with its policy obligation, the IIU prepared an annual implementation report on the Policy on the Protection of Whistleblowers and Witnesses. The IIU provided a draft version of the report to the Secretariat for feedback and comment¹. The IIU also sought and received inputs from the Head of the Independent Redress Mechanism given the IRM's specific implementation role under that Policy. The overall consultation period lasted from 23rd August to 8th September 2021.

2. With regard to comments and feedback received by the Secretariat including the Office of the General Counsel, the Office of Risk Management and Compliance, the Office of Internal Audit, and the Office of the Executive Director represented by the Ethics Senior Advisor, the IIU undertook to make necessary revisions and/or to provide clarifications regarding certain information presented in the reports. Overall, there were several matters where differing opinions exist regarding the responsibilities of the EAC, the IIU, and the Secretariat in policy implementation, and the scope of information which should be included in the reports. Many of these concerns were also reflected the Secretariat's Management Responses to the 2019 Implementation Reports. These issues are summarized here with the IIU's clarifications for the consideration of the EAC and the Executive Director:

- (a) **Inclusion of IIU recommendations or advice in implementation reports.** The Secretariat recommends that the Implementation Report strictly presents what actions were taken to implement the Policy during the reporting period and that recommendations or advice for improvements assessed by the IIU should be avoided. The IIU differs from this view as the IIU understands that the objective of the report is to review effective policy implementation. As such, the IIU determines that it would be contrary to the aim of the report and to the IIU's mandate² to not recommend or advise where effectiveness could be better assessed or demonstrated;
- (b) **Inclusion of advice or recommendations deemed to be outside scope of policies.** The Secretariat is of the opinion that the IIU's recommendations or advice provided in the report contain or involve activities which are not mandated by the Whistleblowing Policy or Board decisions, and that such recommended actions should require a separate Board decision to be undertaken. In the IIU's understanding, the type of actions

¹ *Policy on the Protection of Whistleblowers and Witnesses*, para. 71 provides: "The IIU shall report on an annual basis to the Board. Before doing so, the IIU shall communicate the report to the Executive Director for information, who shall have the possibility to provide comments for consideration by the IIU and the Board." Whilst the *Policy on Prohibited Practices* does not impose the same communication obligation, the IIU consulted the draft implementation report on the Policy with the Secretariat as a matter of good practice.

² *Terms of Reference of the Independent Integrity Unit*, para. 15(h): [https://iiu.greenclimate.fund/documents/1226411/1237082/Terms of Reference of the Independent Integrity U nit.pdf/50c468f6-bc58-9e7f-0f5f-17834705a7fa](https://iiu.greenclimate.fund/documents/1226411/1237082/Terms%20of%20Reference%20of%20the%20Independent%20Integrity%20Unit.pdf/50c468f6-bc58-9e7f-0f5f-17834705a7fa)

recommended to improve the policy's effectiveness follow from the obligations set out in the Policies, and as such, do not require an additional decision by the GCF Board¹;

- (c) **Inclusion of information concerning "Reports of Suspected Wrongdoing."** The Secretariat questioned why the IIU has attempted to clarify in the report that such information explains the activity of whistleblowing experienced at the GCF during the reporting period. This serves as an indicator of policy implementation effectiveness;
- (d) **Inclusion of information concerning activities to establish effective reporting channels.** The Secretariat questioned why such information is relevant to the Implementation Report on Whistleblowing. The IIU corrected the language to clarify that this refers to whistleblowing channels and is therefore relevant to the report;
- (e) **Inclusion of information concerning actions taken to develop the Investigation Standards.** The IIU has explained to the Secretariat that such activity reporting is necessary as the Investigations Standards reflect procedures necessary to ensure safeguards set out in the Whistleblowing Policy; and

Questions regarding what is expected from the IIU which is responsible for the implementation of the Policy. This question arises in the context where the Secretariat or the EAC are required to perform certain actions under the Policy and where the IIU suggests that either party must do more or demonstrate better than what they are currently doing with respect to their obligations. The Secretariat suggests that any underperformance must be attributed to the IIU. Appreciating this view, the IIU has recommended collaborative actions and ways it can support more effective implementation. The question still remains however as the IIU cannot act on behalf of the Secretariat or the EAC. Clearly, going forward, a common understanding of expectations and roles needs to be established.

¹ For example, para. 17 of the Whistleblowing Report reflects the Policy obligation set out in para. 64 of the Policy which states: "*The IIU shall ensure that channels for reporting suspected Wrongdoing are easily accessible and available, as far as possible in local languages of concerned groups or communities.*" As this includes reporting channels of AEs, the recommendation is that information regarding where to report at the AE level should be presented clearly on the GCF's website. The IIU provides a list of such information regarding 47 AEs but as there are many more AEs, the IIU will need to make sure that the list is expanded to include all of them. Meanwhile, it would further be helpful and advised that such contact information is also communicated on the GCF's website in connection with Funded Activities. In IIU's view, this may help ease access to such reporting channels for such user groups. In the IIU's view, the above actions are not additional per se but ones that should be understood as necessary components of the obligation under para. 64 to ensure its effective implementation. Accordingly, a separate Board decision text whereby the Board would mandate these activities to be undertaken should not be required. Likewise, the IIU advises that its collaboration with the Secretariat should undertake to review the effectiveness of whistleblowing channels of implementing partners. Without information regarding how whistleblowing mechanisms work in GCF projects, it is not possible to assess or report on their effectiveness. This would be an action which is not additional per se but one that should be understood as a necessary component of the obligation under para. 70 to ensure its effective implementation. Accordingly, a separate Board decision text whereby the Board would mandate such action to be undertaken should not be required.