

Whistleblowing Policy



CORPORATE POLICIES

Abbreviations

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| CCO: | Chief Compliance Officer |
| HRC: | Human Resources and International HR Cooperation |
| OCCO: | Office of the Chief Compliance Officer |

Whistleblowing Policy

The Governor of the Council of Europe Development Bank,

Whereas the Council of Europe Development Bank (CEB) is committed to the values of integrity, transparency, accountability, good governance, fairness and cooperation, therefore particularly encourages openness and shows zero tolerance to misconduct and requires the reporting of actions and behaviours that can be detrimental to its assets, integrity, reputation and staff,

Whereas the CEB aims to safeguard professionalism, sustain the cooperation culture and raise awareness and understanding of the issues of fraud, corruption, irregularities and related wrongdoings,

Whereas whistleblowing procedures safeguard the values of commitment, cooperation, creativity, transparency and professionalism, and protect the organisation from any kind of financial or reputational loss,

Having regard to the need to define the procedures for dealing with whistleblowing cases,

Having regard to Articles 25, 30, 40, 54 and 62 of the Staff Regulations,

Having regard to the Framework for the CEB's Anticorruption Charter, the Compliance Policy (hereinafter the "Compliance Policy") and the CEB's Codes of Conduct¹ (Article 17.2),

The Staff Committee having been consulted in accordance with Article 5, Paragraph 3, of the Regulations Concerning Staff Participation,

DECIDES:

Article 1 - Whistleblower

- 1.1 A whistleblower is any person or party who voluntarily conveys or is proven to be about to convey any information indicating that fraud, corruption, collusion, coercion, money laundering, illegal financing or any other misconduct that may be damaging to the CEB's financial activities and reputational standing² might be occurring or that might have occurred at the CEB or in any of the CEB's programmes or activities, with knowledge or good faith belief that the information could be true. Whistleblowing also encompasses serious misconduct under the CEB's Code of Conduct or the Rule concerning the use of the Council of Europe Development Bank's Information and Telecommunication Systems.
- 1.2 In order to address legitimate concerns or suspicions of fraud, corruption, collusion and coercion or related forms of misconduct, the CEB has established this Policy in order to provide the means to report such concerns and, if so requested, to protect with the appropriate measures the reporting person against disclosure of his/her identity. The CCO is designated as the officer responsible for implementing this Policy.

¹ CEB Code of Conduct applicable to the Governor, Vice-Governors, staff members and to contractual collaborators or service providers (effective since 1.1.2010), CEB Code of Conduct applicable to the chairmen and members of the Collegial Bodies (effective since 1.1.2010), CEB Code of Conduct applicable to the members of the Auditing Board (effective since 1.1.2010).

² CEB Anti-Corruption Charter (effective since 9.2.2007), CEB Integrity Due Diligence Guidelines & Procedures (effective since 30.6.2009)

- 1.3 The Policy applies to CEB staff members³.
- 1.4 The Policy applies, furthermore, to persons external to the CEB such as contractors, borrowers and persons providing the CEB with services, including consultants and suppliers contracted by the CEB, as well as others with information on suspected or known behaviour as described in paragraph 1.1⁴.
- 1.5 CEB staff members are required to report any information concerning suspected misconduct, while external whistleblowers are urged to report information concerning such behaviour. The reporting shall be made to the Chief Compliance Officer and may be made anonymously. However, considering that anonymous reports are more difficult to investigate and that confidentiality is ensured by this Policy, the CEB encourages CEB staff members and external whistleblowers to disclose their identity.

Article 2 - Confidentiality

The identity of whistleblowing CEB staff members and external whistleblowers will be kept confidential and only disclosed with the consent of the relevant whistleblower or when extra-ordinary circumstances exist. Such extra-ordinary circumstances include situations where: (i) identification is necessary to allow the CEB or the appropriate law enforcement officials to investigate or respond effectively to the disclosure; (ii) identification is required by law or under the CEB's rules and regulations, where a false accusation has been maliciously made, (iii) the person accused is entitled to the information as a matter of legal right or under the CEB's rules and regulations on disciplinary proceedings. In such an eventuality, the decision to disclose the identity of the whistleblower rests with the CCO, who is required to inform the whistleblower prior to revealing his/her identity. The knowing unauthorised disclosure of whistleblower information or of the identity of a whistleblower by any CEB staff member, in particular OCCO staff, who has been provided with such information for official purposes will constitute misconduct for which, if established, disciplinary measures will be imposed (Article 54 of the Staff Regulations).

Article 3 - Implementation

- 3.1 The CCO is responsible for announcing the means for submitting whistleblower reports and will be in charge of receiving and reviewing the reports as set out in Appendixes 1 and 2 to this Policy. Decisions on what to investigate and which investigative procedures to apply in a particular case come within the competence of OCCO, in accordance with applicable policies (the CEB's Anti-corruption Charter and the Compliance Policy). In this context, the CCO can, if needed, be assisted by external experts.
- 3.2 OCCO investigations shall be both organisationally and personally objective and independent. If there is a risk that this independence or objectivity may be called into question during a particular investigation, the CCO, after reviewing the facts, shall take any necessary action to ensure that the required standards for independence and objectivity are fully respected.
- 3.3 CEB staff members are required and external whistleblowers are urged to cooperate in any investigation under this Policy.

³ For the purposes of this Policy, any reference or use of the term "CEB staff member" will also apply to Appointed Officials and temporary staff.

⁴ For the purposes of this Policy the term "external whistleblower" shall mean the persons referred to in paragraph 1.4.

Article 4 - Whistleblower Reporting by CEB Staff Members

- 4.1 The Policy on Whistleblowing applies to CEB staff members regardless of the type or duration of their appointment, as provided for under Article 17.2 (Reporting) of the Code of Conduct⁵ below:
- a) *Any CEB Appointed Official, staff member and occasional contractual collaborator who has knowledge of elements that could lead them to presume the existence of a case of corruption, money laundering or financing of terrorism must forthwith notify the CCO. The provisions of Article 30 of the Staff Regulations are also applicable.*
 - b) *If the facts brought to his/her knowledge appear sufficiently serious, precise and conclusive, the CCO refers the case to the Governor.*
 - c) *The CCO guarantees that the information brought to his/her knowledge shall be treated with due confidentiality and that the person who reported the suspected misconduct will be protected from reprisals or retaliation.*
- 4.2 CEB staff members shall report incidents of suspected or known behaviour as described in paragraphs 1.1 and 4.1 a) above to the CCO, following the procedures set out in Appendix 1 hereto.
- 4.3 The Policy does not apply to:
- a) the reporting of information already in the public domain (e.g. newspaper articles, publicly available audits, unsubstantiated rumours and hearsay, matters of trivial nature, gossip or information not linked to the performance of duties);
 - b) disagreements over legitimate policies, information for which specific rules are available to staff members, such as performance issues and other personnel issues where a staff member has a personal interest in the outcome, or harassment claims and personal disagreements or conflicts with colleagues or hierarchy;
 - c) disclosures that cannot be considered as reasonable or honest, such as abusive disclosures (e.g. repeated disclosures of alleged facts aimed merely at paralysing a service) or malicious, frivolous or potentially defamatory disclosures (e.g. false or unverifiable accusations with the aim of harming another person's integrity or reputation);
 - d) Suspicions of harassment, psychological or sexual, bullying and other allegations governed by the "Rule on the Protection of Dignity at Work".
- 4.4 Actions of retaliation, reprisal or revenge taken by a CEB staff member against a person who makes a whistleblower report in good faith, as described above, are forbidden and considered to amount to misconduct and a breach of the requirement for loyalty in tasks and professional manners as set forth in Article 13 (Internal Relations) of the Code of Conduct⁶ applicable to CEB staff members. Retaliation includes any unauthorised action (direct or indirect) that is threatened, recommended or taken against the whistleblower.
- 4.5 Temporary and/or permanent measures that are necessary in order to protect a whistleblower from retaliation may be adopted. Such measures may include, but are not limited to: (i) taking reasonable steps to facilitate a transfer to another major administrative unit, to the extent possible, taking into considerations the type of post that fits their profile and the needs of the different major administrative units; (ii) ensuring that the whistleblower will not suffer any adverse consequences in the staff appraisal and promotion procedures.

⁵⁻⁶ CEB Code of Conduct applicable to the Governor, Vice-Governors, staff members and to contractual collaborators or service providers (effective since 1.1.2010)

- 4.6 CEB staff members are reminded that the reporting of an alleged incident in bad faith, particularly if it is based knowingly on false or deliberately misleading information, against another CEB staff member amounts to misconduct and that in such cases, the whistleblower is not entitled to the protection provided by this Policy and will face disciplinary measures (Article 54 of the Staff Regulations).

Article 5 - Reporting by External Whistleblowers

- 5.1 Persons external to the CEB, such as consultants, borrowers and persons providing the CEB with services, including consultants and suppliers contracted by the CEB, as well as others with information on suspected or known behaviour as described in paragraph 1.1 above, involving the CEB's programmes and activities, are urged to make a report to the CCO, following the procedures set out in Appendix 2 hereto.
- 5.2 The CCO will make information available on how external whistleblowers may submit reports on potential fraud, corruption, collusion and coercion or related forms of misconduct. Appendix 2 hereto sets out the provisions on how information from external persons may be reported to the CEB and how the CEB will handle such incoming reports.
- 5.3 An external whistleblower that makes a report to OCCO or has cooperated with an OCCO investigation shall be protected from retaliation by any CEB staff member. Retaliation includes any action (direct or indirect) that is threatened, recommended or taken against the external person. Retaliation is a form of misconduct that will be investigated.

Article 6 - Implicated CEB Staff Members' Rights

- 6.1 A CEB staff member implicated by reports of irregularities must be promptly informed of the allegations made against him/her, provided that this information does not block, delay or impede the progress of the whistleblowing procedure and does not expose the CEB to any financial or reputational damage.
- 6.2 Findings referring to a CEB staff member specifically by name may not be made upon the completion of the procedure under this Policy, unless that CEB staff member has had the opportunity to put forward his/her comments to be assessed by the Governor, in keeping with the principle of respect for the right to be given a fair hearing. After having heard the implicated CEB staff member, or after having requested the latter to put their case in writing if, for objective reasons, it is not possible to hear them directly, the Governor, if necessary with the assistance of internal or external experts, will decide on the measures required in the CEB's interest.
- 6.3 In the event that the identity of the person submitting a report of alleged misconduct is not disclosed to the CEB staff member suspected of misconduct, no administrative decision or disciplinary measure will be taken against that CEB staff member unless there is sufficient other reliable probative evidence that provides a factual foundation for the measure proposed. Such evidence must be disclosed to the CEB staff member suspected of misconduct and he/she must be given the opportunity to respond to it.

Article 7 - Protection of Personal Data

Since the reporting of irregularities and/or the ensuing procedure will involve dealing with personal data, such data shall be managed in keeping with the principles and rules provided for in the policy framework applicable at the CEB for the Protection of Personal data⁷. The CEB staff member involved in the reporting procedure and in any related procedure, including whistleblowers themselves, may contact the Committee for the Protection of Personal Data; the Committee will decide whether the relevant policies and rules have been respected.

Article 8 - Reporting and Assessment

- 8.1 The CCO will report periodically to the Governor on the volume and nature of whistleblower reports and on the results of investigations undertaken. The practical application and effectiveness of the Policy will be evaluated and reviewed periodically.
- 8.2 OCCO is responsible for making any necessary proposal on the modification, amendment or renewal of the present Policy and the procedures affecting whistleblowers, to be submitted to the Governor.

Article 9 - Entry into force

This Policy entered into force on 3 December 2015.

⁷ CEB Regulations on a System for the Protection of Personal Data at the CEB, as approved by the Administrative Council at its 252nd meeting in Paris on 16 May 2008 and updated on 16 September 2011, as well as the related rules.

Appendix 1

Procedures for Whistleblower Reporting to OCCO by CEB Staff Members

Overview

1. The Governor has established a Whistleblowing Policy in order *inter alia* to:
 - a. Enable CEB staff members⁸ to report concerns relating to fraud, corruption, collusion and coercion or related forms of misconduct directly to the Chief Compliance Officer (CCO), the Office of the CCO (OCCO);
 - b. Protect CEB staff members against retaliation for making such reports or for cooperating with such investigations.
2. This Appendix sets out the procedures to be followed in order to implement this Policy.

What to Report

3. CEB staff members may report concerns relating to fraud, corruption, collusion and coercion or related forms of misconduct directly to the CCO using any of the options listed in paragraph 5 below, or in person. The report should provide as much detailed information as possible regarding the concern. CEB staff members are encouraged to include their contact details (name, address, phone number and/or email address) in order to allow clarifications to be sought, if necessary. However, the whistleblower may also remain anonymous and in such cases will be considered by the CCO to whom the matter is referred, account being taken of the circumstances and nature of the incidents reported.
4. This procedure for reporting shall not be used to transmit unsubstantiated rumours. CEB staff members who, in bad faith, make false allegations will themselves be the subject of disciplinary proceedings and measures, if they reveal their identity.

How to Report

5. CEB staff members may report incidents: (i) orally in a documented interview; or (ii) in a formal letter or memorandum; making use of any of the following options in order to submit the report:
 - In person: whistleblowers can make a report by means of a documented interview with the CCO;
 - Telephone/fax: whistleblowers can use the CCO's telephone/fax line in order to make documented telephone/fax reports and messages;
 - Email: a dedicated email account (OCCO-whistleblowing@coebank.org) has been set up in OCCO; the account will be accessible only to authorised OCCO staff and can be used by whistleblowers to submit written reports;
 - Internal Mail: written reports submitted via internal mail should be placed in a sealed envelope and marked "Confidential - to be opened by the addressee only". The envelope should be addressed to the CCO.

⁸ For the purposes of the Policy the term "CEB staff member" shall mean the persons referred to in paragraph 1.3 of the Policy.

- External Mail: written reports submitted via external mail should be placed in a sealed envelope and marked “Confidential - to be opened by the addressee only”. The envelope should be addressed to the Chief Compliance Officer, Office of the Chief Compliance Officer, 55, avenue Kléber, F-75116 Paris, France.

OCCO Review of Whistleblowing Reports

6. OCCO will receive, document, log and take action on all incoming reports. Each report will be screened to assess its reliability and whether there is sufficient information to warrant an investigation or a need to contact the whistleblower, if contact information has been provided.

Retaliation against CEB Staff Members

7. CEB staff members, regardless of the type or duration of their appointment, who have provided information under the Policy in good faith, are entitled to protection from retaliation. Additionally, CEB staff members who have cooperated with investigations are entitled to protection against retaliation. CEB staff members who believe that they have been threatened by retaliation or that retaliatory action has been taken against them may report their complaint to the CCO.
8. Should the CCO determine that a complaint of retaliation warrants an investigation, OCCO will conduct the investigation in accordance with its investigation procedures. Where appropriate, OCCO will refer the results of the investigation to the Director of HRC for further action. The CCO may advise the Director of HRC of any ongoing investigation should he/she believe that retaliation could take place before any such investigation is completed.

Reporting Whistleblower Results

9. The CCO, at his/her discretion, may provide an update on the outcome of an investigation to a whistleblower, if requested and without disclosing confidential information.

Appendix 2

Procedures for Whistleblower Reporting to the CEB by External Persons

Overview

1. The Council of Europe Development Bank (CEB) has zero tolerance towards fraud, corruption, collusion and coercion or related forms of misconduct in its programmes and activities. External whistleblowers⁹ who wish to convey a concern, allegation or information that such misconduct is occurring or has occurred, are urged to submit a whistleblower report to the CEB. External whistleblowers encompass any person not defined as CEB staff member such as consultants, vendors, contractors and others who, as per paragraph 1.1 of the Policy, convey information in the knowledge or belief that it is true.
2. This Appendix sets out the procedures to be followed when external persons report alleged misconduct to the CEB and how such reports will be handled.

What to Report

3. The report should provide as much details as possible in the information concerning fraud, corruption, collusion and coercion or related forms of misconduct. External whistleblowers are encouraged to include their contact details (name, address, phone number and/or email address) in order to allow clarifications to be sought, if necessary. However, the whistleblower may also remain anonymous. The identity of external whistleblowers will be kept confidential and only disclosed with the consent of the external whistleblower or when extra-ordinary circumstances exist (see Article 2 of the Policy). In the latter case, the decision to disclose the identity of the external whistleblowers rests with the Chief Compliance Officer (CCO) of the CEB.

How to Report

4. External whistleblowers are urged to report incidents: (i) orally in a documented interview; or (ii) in a formal letter or memorandum; making use of any of the following options in order to submit the report:
 - In person: external whistleblowers can make a report by means of a documented interview with the CCO;
 - Telephone/fax: external whistleblowers can use the CCO's telephone/fax line in order to make documented telephone reports and messages;
 - Email: a dedicated email account (OCCO-whistleblowing@coebank.org) has been set up in OCCO; the account will be accessible only to authorised OCCO staff and can be used by external whistleblowers to submit written reports;
 - Internal Mail: written reports submitted via internal mail should be placed in a sealed envelope and marked "Confidential - to be opened by the addressee only". The envelope should be addressed to the CCO.

⁹ For the purposes of the Policy the term "external whistleblower" shall mean the persons referred to in paragraph 1.4 of the Policy.

- External Mail: written reports submitted via external mail should be placed in a sealed envelope and marked “Confidential - to be opened by the addressee only”. The envelope should be addressed to the Chief Compliance Officer, Office of the Chief Compliance Officer, 55, avenue Kléber, F-75116 Paris, France.

OCCO Review of Whistleblowing Reports

5. The Office of the Chief Compliance Officer (OCCO) will receive, document, log and take action on all incoming reports. Each report will be screened to assess its reliability and whether there is sufficient information to warrant an investigation or a need to contact the external whistleblower, if contact information has been provided.

Retaliation against External Whistleblowers

6. An external whistleblower that makes a report to OCCO, or has cooperated with an OCCO investigation, shall be protected from retaliation by CEB staff members. Retaliation includes any action (direct or indirect) that is threatened, recommended or taken against the external person. Retaliation is a form of misconduct that will be investigated. External whistleblowers who believe that they have been threatened by retaliation or that retaliatory action has been taken against them may report their complaint to the CCO.

OCCO Investigation

7. Should the CCO determine that a whistleblower report warrants an investigation, OCCO will conduct the investigation in accordance with its investigation procedures. All investigations will be carried out with complete independence and confidentiality. The CCO will make all efforts to ensure that investigations are conducted in the most efficient and effective manner and are completed in the shortest possible timeframe, given the resources available.
8. OCCO will be responsible for safeguarding all information received from an external whistleblower. The knowing unauthorised disclosure of external whistleblower information or the identity of an external whistleblower by any CEB staff member¹⁰, in particular OCCO staff, who has been provided with such information for official purposes may constitute misconduct for which, if established, disciplinary measures may be imposed.

Reporting Whistleblower Results

9. The CCO, at his/her discretion, may provide an update on the outcome of an investigation to an external whistleblower, if so requested and without disclosing confidential information.

¹⁰ For the purposes of the Policy the term “CEB staff member” shall mean the persons referred to in paragraph 1.3 of the Policy



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