



2015

WHISTLEBLOWER POLICY





CARIBBEAN DEVELOPMENT BANK

**STRATEGIC FRAMEWORK FOR INTEGRITY, COMPLIANCE AND
ACCOUNTABILITY**

PILLARS I, II AND III

WHISTLEBLOWER POLICY

To provide for a Whistleblower System and the protection of Whistleblowers from Retaliation

MAY 2015

TABLE OF CONTENTS

1. INTRODUCTION
2. KEY DEFINITIONS
3. PRINCIPLES
4. PURPOSE
5. ACTIVITIES COVERED BY THIS POLICY
6. ACTIVITIES NOT COVERED BY THIS POLICY
7. SCOPE OF PERSONS COVERED BY THIS POLICY
8. THE WHISTLEBLOWER SYSTEM
9. WHISTLEBLOWER PROTECTION
10. GOOD FAITH
11. DUTY TO REPORT AND COOPERATE
12. COMPLAINTS ALLEGING INTEGRITY VIOLATIONS, ETHICS VIOLATIONS AND MISCONDUCT
13. COMPLAINTS ALLEGING SAFEGUARDS VIOLATIONS
14. FORM OF COMPLAINTS
15. ANONYMOUS COMPLAINTS
16. USING THE WHISTLEBLOWER SYSTEM
17. INVESTIGATION OF COMPLAINTS
18. INVESTIGATION OF RETALIATIONS – SHIFTING BURDEN OF PROOF
19. SANCTION AND REMEDIATION OF RETALIATIONS
20. SPECIAL MEASURES TO ASSIST A WHISTLEBLOWER
21. CONFIDENTIALITY
22. COLLABORATION
23. REVIEW
24. OVERSIGHT AND IMPLEMENTATION

WHISTLEBLOWER POLICY

To provide for a Whistleblower System and the protection of Whistleblowers from Retaliation.

1. INTRODUCTION

1.01 The Caribbean Development Bank (the Bank), adheres to the highest standards of integrity, ethics, compliance, transparency and accountability, with zero tolerance for fraud, corruption, money laundering, financing of terrorism and similarly corrosive conduct.

1.02 The Bank has introduced a comprehensive Strategic Framework for Integrity, Compliance and Accountability (the Strategic Framework) and established the Office of Integrity, Compliance and Accountability (OICA) to operationalise and manage the Strategic Framework. This Whistleblower Policy (the Policy) is issued pursuant to the Strategic Framework.

2. KEY DEFINITIONS

2.01. For the purposes of this Policy:

Accountability	means ‘operations-related’, and specifically, ‘project-related accountability,’ which is the extent to which the Bank should prevent, monitor and resolve, the adverse environmental and social impacts of its Projects. ¹
Affiliate	means in relation to an entity, its direct or indirect controller, shareholder, owner, parent, or subsidiary, or any other entity it controls or with which it is under common control.
Allegation	means an unproved assertion against someone related to suspected wrongdoing.
Code of Conduct	means the Code of Conduct for Staff and/or for the Board of Directors and any other Codes of Conduct issued by the Bank from time to time.
Complaint	means a formal Allegation or expression of discontent, concern or suspicion submitted to OICA regarding any suspected Violation, wrongdoing or presumed Misconduct.
Complainant	means the Person who has submitted a Complaint to OICA.
Compliance	means the Bank’s adherence to a policy and procedures which adopt relevant rules, regulations, standards, codes and norms to combat money laundering and financing of terrorism, and for monitoring in order to avoid violations of financial sanctions.
Conflict of Interest	means any situation in which a Person has interests that could improperly influence that Person’s performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations.
Counterparty	means any individual or entity seeking funding for a Project or who is being funded by a Bank-financed operation or Project or other activities of the Bank, and includes any supplier, contractor or consultant for, or beneficiary of, a Project and any Affiliate thereof

¹ To meet similar obligations, IFIs can create independent accountability mechanisms (IAMs), often called project complaint mechanisms (PCMs) to investigate, review and resolve complaints and assess compliance with safeguards against environmental and social impacts from projects they finance.

who has engaged directly or indirectly with the Bank including through its policies and procedures for external or project procurement or internal or corporate procurement by the Bank for its own account. The term “Counterparties” shall be construed to mean more than one Counterparty.

Director	means a member of the Bank’s Board of Directors. Every reference to a “Director” means the Director and his/her alternate and advisors.
Ethics	means adherence by relevant persons to any Code of Conduct, or rules and regulations issued by the Bank for its Directors and Staff.
Ethics Violation	means a violation of any ethical principle, rule or standard of conduct applicable to Staff and Directors as provided for in a Code of Conduct.
Environmental and Social Safeguards	means protection afforded by the operational policies and procedures issued by the Bank to minimise or mitigate any adverse environmental or social impacts from projects financed by the Bank.
Integrity	means ‘institutional integrity’ and includes but is not limited to the prohibition of wrongdoing related to fraud, corruption, collusion, coercion (known as Prohibited Practices) and other corrosive practices like theft, bribery, Conflicts of Interest, deception, forgery, extortion, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, Misconduct and any interference with, or obstruction of, investigations undertaken pursuant to the Strategic Framework.
Integrity Risks	means Integrity-related operational risks.
Integrity Violation	means any Violation related to Integrity, Compliance and Ethics including a Violation of this Policy.
Investigation	means the process designed to gather and analyze information and to determine whether a Violation has occurred and if so, the Person or Persons responsible. An Investigation is deemed to commence from the date of receipt of a Complaint by OICA and ends only when OICA has made a determination in writing that it has ended.
Misconduct	means the failure by any Person to observe the rules of conduct or standards of behaviour as prescribed by the Bank and includes a breach of any provision in the Code of Conduct and any act of Retaliation against a Whistleblower whether such failure or act occurs within or outside of the Bank’s premises.
Person	means any individual or entity and shall include a Director, a member of Staff, a body corporate, a trust and any other entity legally recognised as having the capacity to contract.
Prohibited Practices	are the following: ² (a) A <i>Corrupt practice</i> is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;

² As defined by The International Financial Institutions Anti-Corruption Task Force – Uniform Framework for Preventing and Combating Fraud and Corruption.

- (b) A *Fraudulent practice* is 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) A *Coercive practice* is 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; and
- (d) A *Collusive practice* is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.

Project means any activity which the Bank has financed or committed to finance from its Ordinary Capital Resources or Special Funds Resources, trust funds or from other funds administered by the Bank.

Retaliation means any form of harassment, victimisation or other action taken against a Whistleblower by any Person where it is suspected that such harassment, victimisation or other action is related to or undertaken in response to a Complaint, submission, report or disclosure made by a Whistleblower through the Whistleblower System.

Safeguards Violation means the violation of Environmental and Social Safeguards.

Staff means the management, (including the President and Vice-Presidents), professional and support staff, temporary employees, other contracted employees, consultants, secondees, interns and personnel on exchange assignments without regard to their position, rank, title, duration of contract with, or length of service to, the Bank.

Violation means an Integrity Violation, an Ethics Violation, a Safeguards Violation or Misconduct.

Whistleblower means any Person who makes a Complaint, submission, report or disclosure of a suspicion, concern, or Allegation or provides any information concerning any Violation with respect to the Bank's systems and operations or in any Project or financing, in the knowledge or good faith belief that the Complaint, submission, report or disclosure is true.

Whistleblower Hotline means the secure telephone hotline for receipt of confidential Complaints, submission, reports and disclosures made by Whistleblowers.

Whistleblower System means the Bank's processes, procedures and systems for secure receipt and handling of all Complaints, submission, reports and disclosures from Whistleblowers and Witnesses as provided for in this Policy and any procedures issued pursuant to this Policy.

Whistleblowing means the actions of a Whistleblower in making a Complaint, submission, report or disclosure through the Whistleblower System.

Witness means a Person who is not subject to an investigation but who voluntarily offers, or from whom OICA requests, information or evidence regarding an Investigation or who is otherwise providing assistance to OICA for the conduct of any contemplated or ongoing Investigation.

3. **PRINCIPLES**

3.01 The following four principles, as articulated in the Strategic Framework, underpin this Policy:

- (a) integrity;
- (b) accountability;
- (c) excellence; and
- (d) transparency.

4. **PURPOSE**

4.01 Consistent with the Bank's mission as articulated in its Strategic Plan 2015-2019, this Policy is intended to provide:

- (a) persons who wish in good faith to disclose to the Bank any serious concerns about wrongdoing or harm with a single, comprehensive, formal, dedicated, confidential and secure Whistleblower System to make any Complaints, submissions, reports and disclosures including Allegations relating to Violations, money-laundering, financing of terrorism, and non-compliance with the Bank's policies to safeguard against social and environmental harms;
- (b) Whistleblowers with protection from Retaliation; and
- (c) the Bank with a formal independent mechanism for confidential receipt and secure handling of Complaints, submissions, reports and disclosures received through the Whistleblower System, and to facilitate their assessment, investigation and resolution.

5. **ACTIVITIES COVERED BY THIS POLICY**

5.01 This Policy covers all confidential Complaints, submissions, reports and disclosures of suspected Violations and Misconduct related to the areas of Integrity, Ethics, Compliance, Accountability and Environmental and Social Safeguards as provided for under the Strategic Framework that occur within any of the Bank's internal and external activities, systems and operations.

6. **ACTIVITIES NOT COVERED BY THIS POLICY**

6.01 This Policy does not apply to Complaints, submissions, reports and disclosures wholly unrelated to Integrity, Ethics, Accountability and Environmental and Social Safeguards which are ordinarily addressed by the Human Resources Division, Projects Department and other offices and internal mechanisms except to the extent that they allege conduct being used in Retaliation against a Whistleblower. Complaints to which this Policy does not apply include personal grievances relating to dissatisfaction with probation reports and Staff performance appraisal reports; sexual harassment; discrimination and equal opportunity issues.

6.02 All Complaints, submissions, reports and disclosures received through the Whistleblower System which relate only to Accountability and non-compliance with Environmental and Social Safeguards, shall be covered by the Bank's Projects Complaints Mechanism (PCM).

7. **SCOPE OF PERSONS COVERED BY THIS POLICY**

7.01 This Policy applies broadly to any Whistleblower, Witness or other Person named in a Complaint or who is otherwise connected with the subject matter of a Complaint.

8. **THE WHISTLEBLOWER SYSTEM**

8.01 The Bank shall provide a Whistleblower System which will be managed by OICA.

8.02 The Bank will encourage potential Whistleblowers to make confidential Complaints, submissions, reports and disclosures through the Whistleblower System prior to, or instead of, any public complaints, reports, submissions or disclosures so as to provide the Bank with the best opportunity promptly to investigate the matter alleged in the Complaint.

9. **WHISTLEBLOWER PROTECTION**

9.01 Every Whistleblower making a Complaint, submission, report or disclosure in good faith shall be entitled to confidentially, securely and discreetly disclose any suspected Violation, including an attempt to carry out such act, and after the Complaint, submission, report or disclosure, to benefit from protection against Retaliation as provided for in this Policy.

9.02 Conduct suspected to be Retaliation against a Whistleblower shall be treated as a separate act of Misconduct and may be investigated by OICA and sanctioned accordingly.

10. **GOOD FAITH**

10.01 All Complaints must be made in good faith.

10.02 Complainants who knowingly make unsubstantiated, intentionally incomplete (so as to withhold critical information), malicious or false Allegations or Allegations with reckless or negligent disregard for the truth shall not be protected by this Policy and may be treated as having committed a separate act of Misconduct and may be investigated by OICA and sanctioned accordingly.

11. **DUTY TO REPORT AND COOPERATE**

11.01 Each member of Staff has a duty promptly to report to OICA and in any event not later than three months after becoming aware of any suspected, actual or attempted Violation. Each such member of Staff is also expected to cooperate with OICA, to provide information in support of his/her report and generally to assist OICA in its investigation of the relevant suspected, actual or attempted Violation.

12. **COMPLAINTS ALLEGING INTEGRITY VIOLATIONS, ETHICS VIOLATIONS AND MISCONDUCT**

12.01 Integrity Violations, Ethics Violations and Misconduct may be reported by using the Whistleblower Hotline, local telephone, or by email, mail, in person visits to OICA or any other method outlined in the Procedures issued pursuant to this Policy.

13. **COMPLAINTS ALLEGING SAFEGUARDS VIOLATIONS**

13.01 Safeguards Violations may be reported directly to the PCM by using the Whistleblower Hotline, local telephone, or by email, mail, in person visits to the PCM (located in OICA) or any other method outlined in the Procedures issued pursuant to this Policy.

14. **FORM OF COMPLAINTS**

14.01 All Complaints submitted to OICA through the Whistleblower System must as far as possible, identify the Complainant by name and provide relevant supporting information to enable OICA adequately to assess each Allegation made in the Complaint.

15. **ANONYMOUS COMPLAINTS**

15.01 To ensure appropriate attention and assessment OICA prefers to receive Complaints in which the Complainant is named but will accept all Complaints including anonymous Complaints. Complainants are encouraged to make Complaints and any related submissions, reports and disclosures in a manner that will facilitate an effective investigation. Complainants who choose to disclose anonymously are encouraged to provide in a timely manner, any information and supporting evidence in sufficient detail to enable OICA responsibly to pursue assessment of each Allegation made in the Complaint.

15.02 Anonymous Complaints will be treated with the same degree of diligence as a Complaint in which the Complainant has provided his/her name subject to OICA being satisfied that it can be supported based primarily on the:

- (a) seriousness of the issue raised;
- (b) credibility of the concern in the context of any other known facts; and
- (c) likelihood of corroboration of the Complaint by other reliable sources.

16. **USING THE WHISTLEBLOWER SYSTEM**

16.01 The Whistleblower System provides the best protection for Whistleblowers and the Bank is committed to receiving and assessing all Complaints however they are submitted. Complainants are encouraged to use the Whistleblower System instead of first resorting to non-Bank public forums like the media or other non-confidential reporting channels which do not provide confidentiality, security, independent review of their concerns and protection from retaliation. Complainants will be made aware that only when Complaints are formally submitted through the Whistleblower System will the Complainant be classified as a Whistleblower for the purpose of this Policy and entitled to benefit as far as possible from protection from Retaliation.

16.02 The Bank encourages full and appropriate use of the Whistleblower System by Staff. Each member of Staff has a right to discuss concerns and suspicions with the management officers to whom they report and the Bank's Staff Association. Management officers and the Staff Association, in accordance with their general duty to report wrongdoing, are expected to assist a potential Complainant to make prompt Complaints, submissions, reports and disclosures appropriately through the Whistleblower System.

17. **INVESTIGATION OF COMPLAINTS**

17.01 All Complaints received through the Whistleblower System shall be handled, investigated and otherwise resolved as provided for in the Bank's Procedures for Investigation, sanction and enforcement issued pursuant to the Strategic Framework.

18. **INVESTIGATION OF RETALIATIONS - SHIFTING BURDEN OF PROOF**

18.01 A Whistleblower who alleges to have suffered from Retaliation is required only to prove to OICA that in their reasonable belief their Whistleblowing was a factor in the subsequent action which they reasonably believe to be the Retaliation. The burden of proof shall then shift to the management of the Bank to establish, that the same action believed by the Whistleblower to be a

Retaliation would have been taken (whether by itself or as part of a series of actions) if the Whistleblowing did not occur.

19. **SANCTION AND REMEDIATION OF RETALIATIONS**

19.01 Pursuant to the Bank's Procedures for Investigation, sanction and enforcement, OICA shall make appropriate findings and recommendations to the Bank for the resolution, remediation and sanctioning of any conduct determined to be a Retaliation.

19.02 To promote Whistleblowing and to assist in deterring Retaliation, the Bank will pursue a full remediation of a Retaliation as soon as possible, so that, as far as possible, the Whistleblower is made whole and the effects of the Retaliation are mitigated.

20. **MEASURES TO ASSIST A WHISTLEBLOWER**

20.01 OICA may, after reviewing a Complaint submitted by a Whistleblower, consult promptly with the President or with the Vice-President (Corporate Services) and Bank Secretary, the Director, Human Resources and Administration Division, and, if necessary with the Chair of the Board of Directors' Committee with oversight for Integrity, Ethics, Compliance and Accountability (Oversight Committee) and recommend to the Bank, any interim or permanent measures to avoid, mitigate or remediate the likelihood or impact of a Retaliation. Such a recommendation to the Bank may include recommendations with respect to: (a) special measures to terminate, suspend or review the effects of any actions suspected to be retaliatory; (b) action to be taken with respect to the person committing the Retaliation; (c) the reassignment of Staff; (d) the authorisation of appropriate leave; and (e) the exercise of contractual rights by the Bank.

20.02 The Bank may act at any time and of its own volition (with or without a recommendation from OICA) undertake any special measures to assist a Whistleblower or Witness who is a Staff, including measures to avoid, mitigate or remediate the likelihood or impact of a Retaliation. Such special measures may include assistance undertaken by the Bank alone or in collaboration with any competent national authority, local police, local prosecutors or international organization to protect the identity, safety and security of any Whistleblower or Witness who is a Staff.

21. **CONFIDENTIALITY**

21.01 OICA and the Bank shall protect with strict confidentiality, the substance of any information disclosed to the Whistleblower System including the identities of the Whistleblower and any Witness, subject only to the following exceptions, when:

- (a) a Whistleblower or, where applicable, any Witness has provided written permission to OICA and/or the Bank to make the disclosure; and
- (b) OICA determines that there is an imminent threat to public health, security or safety and after reasonable prior notice to the Whistleblower and any Witness advises of his/her intention to make the disclosure.

21.02 General information, related to use of the Whistleblower System, particularly basic numerical data like the number and origin of complaints received, may be published at any time by OICA and the Bank as appropriate and in accordance with the Bank's Information Disclosure Policy.

22. **COLLABORATION**

22.01 OICA shall collaborate with other IFIs and development partners in outreach programmes and for the development of international best practices to enhance the effectiveness of this Policy and the procedures issued pursuant to it.

23. **REVIEW**

23.01 The Oversight Committee may commission a review of this Policy, within the first three years of its operationalisation and at least once every five years thereafter, as necessary, to help ensure its effectiveness.

24. **OVERSIGHT AND IMPLEMENTATION**

24.01 Pursuant to the Strategic Framework, OICA directly oversees this Policy.

24.02 Management of the Bank bears primary responsibility for working with OICA to ensure effective implementation of, and adherence to, this Policy.