

# **NORDIC DEVELOPMENT FUND**

## **ANTICORRUPTION GUIDELINES**

Adopted by the Board of Directors  
of the Nordic Development Fund 4 September 2012 with entry into force as of  
1 October 2012



## 1. Purpose and background

1.1. Nordic Development Fund (“NDF” or the “Fund”) is committed to combat fraud and corruption and will do its utmost to ensure that funds provided by NDF for the purposes of a Project (“NDF Proceeds”) are used only for their intended purposes. The general principles, requirements and sanctions applicable to anyone receiving or benefiting from NDF Proceeds are set out in the document “NDF Policy on Anticorruption and Integrity” (the “Policy”) as well as in the provisions of each financing agreement between NDF and the Recipient. The following Anticorruption Guidelines (the “Guidelines”) set out the principles and procedures to be used by NDF in investigating and sanctioning fraud and corruption in connection with its operations, including the mandate and composition of the Anticorruption Committee and the Sanctions Committee.

## 2. Definitions

2.1. Unless defined herein or the context otherwise requires, terms defined in the Policy shall have the same meaning in these Guidelines.

2.2. The following definitions shall be used for the purpose of these Guidelines:

“**NDF Proceeds**” shall mean proceeds provided by NDF for the purpose of a Project.

the “**Policy**” shall mean Policy on Anticorruption and Integrity, approved by the NDF Board of Directors 4 September 2012.

“**Project**” shall mean an activity financed by and/or executed in whole or in part by NDF.

“**Prohibited Practices**” shall have the meaning set out in Section 3 of the Policy.

“**Recipient**” shall mean the entity which enters into a financing agreement with NDF for the purpose of receiving NDF Proceeds for the financing of a Project.

“**Staff Member**” shall mean an individual employed by NDF, permanently or for a limited period, including consultants hired for more than occasional assignments.

## 3. Obligations of NDF staff

3.1 NDF Staff Members shall observe the highest standards of ethics when conducting their work and adhere to the applicable internal staff regulations, including the Code of Conduct.<sup>1</sup>

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<sup>1</sup> Approved by NDF’s Board of Directors 8 September 2009, as amended from time to time.

- 3.2 If a Staff Member becomes aware of any activity or misconduct that directly or potentially may be regarded as a Prohibited Practice, the Staff Member shall without undue delay report the issue to the chairperson of the Anticorruption Committee, or, in the case of the chairperson's absence or other relevant reason, to another member of the Anticorruption Committee.
- 3.3 The Staff Member shall not evaluate whether the matter can or should be made the subject of further action. The Staff Member may, however, procure additional information provided such action does not prejudice the processing of the matter by the Anticorruption Committee.
- 3.4 The Staff Member shall cooperate with the Anticorruption Committee and provide available information as well as assist, as reasonably requested, in acquiring new information in order to facilitate investigations of the alleged Prohibited Practice.

#### **4. Mandate and Composition of the Anticorruption Committee**

- 4.1 NDF's Anticorruption Committee shall be responsible for:
  - i) screening allegations of misconduct;
  - ii) initiating and conducting investigations of allegations of Prohibited Practices;
  - iii) recommending sanctions or contractual remedies.

The Committee may also give recommendations on preventive measures appropriate for NDF to take in connection with its operation as well as arrange for training for Staff Members relating to anticorruption work

- 4.2 The Anticorruption Committee shall consist of not less than three members appointed by the Managing Director of NDF, who may also appoint substitutes as necessary. The Committee shall normally be composed of an experienced project manager, a procurement expert and a lawyer, of which one shall be appointed chairperson. The members shall be appointed for a term of three years. In cases where specific competence in other areas is required, additional member(s) may be appointed for that specific case. The members may be re-appointed.
- 4.3 The Staff Member in charge of the Project or in charge of co-operation with the country to which a matter before the Committee is related, cannot be a member of the Committee, but shall for the purposes of the handling of that specific case be replaced by a substitute.
- 4.4 The Anticorruption Committee shall not handle cases which involve alleged misconduct of a Staff Member. Such cases shall be handled by NDF's Managing Director together with the Head of the Human Resources department at the Nordic Investment Bank, in accordance with applicable staff regulations.

## **5. Procedures of the Anticorruption Committee**

- 5.1 The Anticorruption Committee shall hold meetings called by the chair of the Committee with at least one business day's notice. Any documentation to be reviewed or discussed shall be distributed at least one business day prior to the meeting.
- 5.2 The Committee shall keep minutes of its meetings which will be filed and kept secure.
- 5.3 Decisions by the Committee shall be made by consensus and decision-making requires participation of all members of the Committee. If a decision cannot be reached, the matter shall be referred to the Managing Director for a decision within the ambit of the Committee's powers.
- 5.4 The Anticorruption Committee shall report on its activities orally or in writing, as NDF's Managing Director or Board of Directors may reasonably request.
- 5.5 The Committee may establish its own, internal rules governing matters of a practical nature relating to the tasks of the Committee.

## **6. Investigations**

- 6.1 Upon becoming aware of allegations of misconduct, the Anticorruption Committee shall, regardless of the source of information, review the existing information and decide if, based on the available information, it can be assumed that:
  - i) the alleged misconduct is related to a Project or to NDF Proceeds;
  - ii) the alleged misconduct constitutes a Prohibited Practice; and
  - iii) the allegations are verifiable and come from a credible source.

If the above criteria are fulfilled, the Anticorruption Committee may initiate an investigation of the case.

- 6.2 Where practicable, the Anticorruption Committee shall acknowledge receipt of a report of alleged misconduct to the source of the allegations.
- 6.3 In making the decisions on which cases should be investigated as well the subsequent plan for the investigation, the Anticorruption Committee shall take into account the gravity of the allegations and the possible outcome(s).
- 6.4 The investigative process, which is administrative in nature, shall be carried out with objectivity, impartiality and fairness. An investigation shall be carried out as expeditiously as reasonably possible, taking into consideration available resources, the facts of the case and other relevant circumstances.
- 6.5 The investigation may be carried out by collecting information and documents (including electronic information and information captured by different media) and by hearing persons allegedly involved in Prohibited Practices as well as persons who are likely to have information relevant to the investigation.

- 6.6 The Anticorruption Committee may engage external parties to assist in its investigations and shall have sufficient budgetary means placed at its disposal to be able to initiate, at short notice, such investigations.
- 6.7 The Committee shall also have access to all relevant information, records and communication of NDF to the furthest extent permitted under applicable NDF policies and regulations.
- 6.8 The Committee shall communicate, consult and collaborate as appropriate with the integrity office and/or the operational staff of the lead agency of the Project to which the investigation relates as well as local authorities and other relevant third parties for the purposes of planning, conducting and evaluating an investigation.
- 6.9 As part of the investigative process, the subject of an investigation shall be given an opportunity to explain in writing his or her conduct and present information on his or her behalf.
- 6.10 The Anticorruption Committee shall keep an adequate record of the investigation, the information collected, the findings and the conclusions of the investigation which should be filed and kept secure
- 6.11 The investigative findings shall be based on facts and related analysis, which may include reasonable inferences. The Committee shall take into consideration both information evidencing as well as counter-evidencing the alleged Prohibited Practice.
- 6.12 The standard of proof that shall be used to determine whether an allegation is substantiated shall be that the investigation show that something is more probable than not.

## **7. Recommendations and Decisions Regarding Measures and Sanctions**

- 7.1 If the Anticorruption Committee concludes that the available information does not substantiate the allegations, the Committee shall document its investigative findings, close the investigation and notify relevant parties as appropriate.
- 7.2 If the Anticorruption Committee concludes that the available information substantiates the allegations, the Committee shall document its investigative findings and agree on a recommendation of measures to be taken.
- 7.3 The recommendation by the Anticorruption Committee, including a summary of the investigative findings, shall be referred to NDF's Managing Director or the Sanctions Committee for consideration and decision. If the recommendation includes a sanction or measure set out in Section 6 of the Policy, the recommendation shall be referred to the

Sanctions Committee. If the recommendation does not include any of the sanctions set out in Section 6 of the Policy, the recommendation shall be referred to the Managing Director.

- 7.4 The decision on a measure or sanction shall be communicated to the subject of such measure or sanction by the Sanctions Committee, the Managing Director or the Staff Member in charge of the Project, as appropriate.
- 7.5 In accordance with Section 6.3 of the Policy, NDF may decide to debar an entity or individual if such entity or individual has been debarred by another financial institution. Decisions on such debarment may be made by the Sanctions Committee based on a recommendation of the Anticorruption Committee.
- 7.6 In accordance with Section 6.2 of the Policy entities or individuals subject to cross-debarment in accordance with the Agreement for Mutual Enforcement of Debarment Decisions of 9 April 2010, or entities or individuals debarred by NDF's lead agency in a specific Project are debarred by NDF. A separate decision by the Sanctions Committee is required only if NDF due to reasons set out in Section 6.2 of the Policy intends not to enforce such cross-debarment.
- 7.7 If the Anticorruption Committee considers a referral to national authorities appropriate, the Committee shall refer information relating to the allegations to such relevant authorities and inform the Managing Director of such referral.

## **8. Sanctions Committee**

- 8.1 Decisions on sanctions or measures set out in Section 6 of the Policy or cross- debarments not to be enforced in accordance with Sections 7.3 – 7.6 above shall be taken by the Sanctions Committee.
- 8.2 The Sanctions Committee shall consist of the Managing Director together with the chairperson of the Board of Directors and an external expert.
- 8.3 The external expert to be a member of the Sanctions Committee shall be a person who is neither a Staff Member nor a member of the Board of Directors of NDF. The external expert shall have a relevant background and solid knowledge of anticorruption work and shall be appointed by the Board of Directors for a period of three years. The external expert may be re-appointed.
- 8.4 The Sanctions Committee shall convene when necessary and decisions may be taken by written procedure. Decisions by the Sanctions Committee shall be made by consensus and decision-making requires participation of all members of the Committee.

## **9. Confidentiality**

- 9.1 Staff Members, members of the Anticorruption Committee and members of the Sanctions Committee shall treat information of allegations of Prohibited Practices as well as any information received during investigations as confidential information to be shared within NDF and with lead agencies and other relevant parties only on a strict need- to- know – basis. Appropriate measures shall be taken to prevent any unauthorised disclosure of investigative information.
- 9.2 All files of the Anticorruption Committee, including minutes and investigative files and documents shall be confidential and be kept secure.
- 9.3 Any person who reports a suspected misconduct may remain anonymous or request that his or her name be kept confidential and NDF shall protect the identities of such whistleblowers from unauthorised disclosure. Whistle-blowers should be encouraged to share enough information for the alleged misconduct to be properly investigated and such information shall be deemed confidential in accordance with Section 9.1 above.
- 9.4 Notwithstanding the above, NDF may disclose information on sanctions or measures imposed in accordance with Section 7.2 of the Policy.

**Report misconduct**

To report concerns or evidence that corruption, fraud, coercion, collusion or obstructive practice may have occurred or is occurring related to any NDF-financed activity, contact NDF:

NDF  
P.O Box 185, 00170 Helsinki, Finland  
or  
Fax: +358 9 622 1491  
or  
or contact any NDF staff member.

Any information provided will be treated as confidential and shared within NDF only on a strict need- to- know basis.

Reports may be made anonymously. However, as anonymous reports are difficult to investigate, it is strongly encouraged that some means are provided that allows for communication with NDF's anticorruption committee.