



**NORDIC ENVIRONMENT FINANCE CORPORATION**

**RULES OF PROCEDURE FOR  
THE COMMITTEE ON FIGHTING CORRUPTION**

**27 September 2007**

# **RULES OF PROCEDURE FOR THE COMMITTEE ON FIGHTING CORRUPTION**

## **1. Purpose and tasks**

A Committee on Fighting Corruption (hereinafter the “Committee”) is established within the Nordic Environment Finance Corporation (hereinafter “NEFCO”).

The purpose of the Committee is to investigate allegations of internal and external corruption and to make recommendations in accordance with what is stipulated below. Allegations against the Managing Director are dealt with by the Board of Directors of NEFCO.

The Committee may also give recommendations on preventive measures to fight corruption.

The Committee shall perform its tasks in accordance with the Resolution of the Board of Directors on Fighting Corruption.

## **2. Composition**

The Committee shall consist of four to five members of the staff of NIB, NEFCO or NDF appointed for a term of three years. The members may be re-appointed.

One of the members shall act as Chairman of the Committee. The Chairman of the Committee, who shall be appointed by the Board of Directors of NEFCO, shall be an individual in a senior position having the adequate qualifications. The Chairman shall lead the work of the Committee.

The other members of the Committee shall be appointed by the Managing Director. One of these shall be a lawyer. The rest of the members of the Committee shall be appointed taking into account their respective knowledge of the following aspects: investment activities, procurement, borrowing, funding, or personnel matters.

When dealing with an alleged case of corruption and making a decision on the matter, the Committee shall always be composed of three members. These three members will be chosen as follows: the Chairman of the Committee and the lawyer shall investigate all alleged cases of internal or external corruption brought before the Committee. The third member shall be chosen from among the members of the Committee depending on the nature of the alleged case of corruption.

Should a conflict of interest arise or should there be any other circumstance likely to affect the impartiality or independence of the investigation procedure, the Managing Director of NEFCO shall appoint an alternate for the disqualified member(s).

## **3. Main investigation principles and procedures**

An investigation is initiated when a case of alleged internal or external corruption is brought before the Committee by the person responsible for the internal audit of NEFCO, the Chairman of the Committee or by the Managing Director.

Before deciding on initiating an investigation, the person responsible for the internal audit and the Chairman of the Committee shall establish whether the reported allegations are of such nature that an investigation should be initiated.

False or malicious reporting by a member of the staff constitutes a breach of the Staff Regulations and Rules as applied to NEFCO (NIB Staff Regulations and Rules are applicable to NEFCO to the extent appropriate).

An investigation of alleged corruption is undertaken according to the following procedures:

- The procedure of suspected corruption shall be conducted with objectivity, impartiality and fairness throughout the investigation. Furthermore anyone conducting the investigation shall perform his or her activities competently and with the highest level of integrity.
- The procedure in its entirety, including all non-public information and non-public documentation, shall be treated with the strictest confidentiality.
- The legal rights and the identity of the person or persons involved in the investigation shall be carefully protected throughout the entire procedure.
- The planning and conduct of an investigation and the resources allocated to it should take into account the gravity of the allegation and the possible outcome.
- The investigation is to be carried out by collecting information and documents, as well as by hearing persons suspected of corruption and persons who have gained information of an alleged internal or external corruption case. In order for the Committee to be able to carry out the investigation, it shall have access to any information and documentation necessary to evaluate an alleged corruption case.
- In a case of alleged external or internal corruption, the Committee may ask for assistance from the person responsible for the internal audit of NEFCO, external auditors of NEFCO or from any other external expertise, and may contact third parties, such as authorities and institutions, when this is deemed necessary without prejudice to the immunities and privileges of NEFCO and its staff members.
- In a case of alleged internal or external corruption, the person or persons suspected of corruption shall be given the opportunity to explain his or her conduct and to present information and counterarguments either orally or in writing. The Committee will decide, based on the nature of the investigation, whether an oral or written procedure will be chosen.
- The investigation shall be conducted in Swedish or English. A staff member suspected for having committed an act of corruption may, however, personally use any official language of the Nordic Countries during the proceedings. Any necessary interpretation services into and from an official language of the Nordic Countries shall be provided if so requested by the Committee.
- The Committee shall examine information both evidencing and counter evidencing the reported act of alleged corruption.
- The Committee shall keep records of its proceedings and document its investigative findings and conclusions. The records and any information and documents related to the procedure shall be filed in accordance with the internal instructions of NEFCO and shall not be disclosed to anyone with the exception of what is stipulated in these Rules and in the Resolution of the Board of Directors on Fighting Corruption.

- The release of information, documents or the identity of persons involved in the proceedings to external recipients requires a separate decision to be taken jointly by the Chairman of the Committee and the Managing Director of NEFCO.

The Committee may establish its own, internal rules governing matters of a practical nature relating to the tasks of the Committee.

#### **4. Decisions and recommendations**

Based on its investigation and having evaluated the matter carefully and thoroughly, the Committee shall decide to dismiss a case of alleged internal or external corruption if it establishes that sufficient evidence of corruption can not be found to substantiate the alleged act of corruption.

Based on its investigations, the Committee shall decide to recommend disciplinary, judicial or other actions to be taken if it establishes that sufficient evidence of corruption is at hand after evaluating the matter carefully and thoroughly.

The recommendations for action can e.g. include the following:

1. Internal corruption:

- a) disciplinary action(s) - in accordance with the Staff Regulations applicable to NEFCO - against a person or persons found to have behaved in a corrupt way; the action may include, for example temporary suspension from duty, a written warning or the termination of the employment relationship with NEFCO.
- b) judicial action(s) - in accordance with the Staff Regulations applicable to NEFCO - against a person or persons found to have behaved in a corrupt way; the action may include (i) taking the matter before the Arbitral Tribunal in order to seek compensation for damage, or (ii) waiving the immunity of the person in order to forward the matter to national authorities for investigation and/or prosecution and pressing of criminal charges.

2. External corruption:

- a) action(s) in accordance with the policies and guidelines of NEFCO; the action may include sanctions of various kinds, for example withdrawal from projects, the calling of existing loans, the cancellation of undisbursed loan amounts, exiting from an investment or barring from future financing.
- b) judicial action(s) against a person or persons found to have behaved in a corrupt way; the action may include taking the matter forward to national authorities for investigation and/or prosecution and pressing of criminal charges, and/or initiating other legal proceedings.

A decision taken by the Committee, either to dismiss a case or to make a recommendation, shall be unanimous and the decision-making requires the participation of all three members. If the Committee members do not reach a unanimous decision, the case shall be submitted to the Managing Director for a final decision.

The recommendations for action(s) shall be submitted to the Managing Director. The Managing Director shall make a final decision, after consultation with the Chairman of the Committee, on whether any action shall be taken or not.

All cases, in which the Committee has established that sufficient evidence of external corruption is at hand, shall be reported by the Chairman of the Committee and the Managing Director to the Board of Directors of NEFCO before a final decision is taken by the Managing Director and any judicial actions are initiated. Other actions may be initiated in cases of external corruption before the reporting to the Board of Directors is made. In cases where the Committee has established that internal corruption is at hand, the reporting to the Board of Directors can be made after a final decision has been taken by the Managing Director and actions against a person or persons have been initiated.

The decisions of the Committee, the final decisions taken by the Managing Director and actions taken in cases of internal and external corruption shall also be reported to the Control Committee of NEFCO.

### **5. Amendments to Rules of Procedure**

These Rules of Procedure may be amended by decision of the Board of Directors of NEFCO.