Together we Promote Integrity Values in the IDB Group

Whistleblower and Witness Protection Policy

Islamic Development Bank Group

Group Integrity Office

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1. Introduction

The principles, values and concepts of integrity, transparency, and combating fraud and corruption are well established by Islamic Shariah from which the founding instruments of the Islamic Development Group (IDB Group) take their spirit. Therefore, the IDB Group has introduced policies on integrity to combat Corrupt and Fraudulent Practices in IDB Group-financed activities, i.e. *IDB Group Integrity Policy and Principles and Guidelines*. These policies call for IDB Group staff to report, as a matter of duty - any allegations or evidence of Corrupt and Fraudulent Practices to the Group Integrity Office (GIO) for investigation. In this context, such moral obligation is referred to as ‘whistleblowing’. However, staff may be reluctant to report Corrupt and Fraudulent Practices out of fear that they will be targeted for retaliation. Therefore, it is necessary to set out certain whistleblowing protections to protect the whistleblower, although the protections do not extend to someone who knowingly makes false or reckless allegations.

2. The Purpose of the Policy

The purpose of "IDB Group Whistleblower and Witness Protection Policy" is to define the protections provided to Whistleblowers and Witnesses as defined herein. The objective is to assure that those who disclose to the IDB Group information relating to Corrupt and Fraudulent Practices will be protected from Retaliation, as defined herein as well.

3. Definition of Whistleblower, Witness and Retaliation

For the purpose of this policy, Whistleblower, Witness and Retaliation are defined as follows:

3.1 A Whistleblower is an IDB Group staff who, as part of his or her duty to report Corrupt and Fraudulent Practices, or an external party who, in good faith and voluntarily, reports allegations of Corrupt and Fraudulent Practices in the IDB Group activities, with knowledge or sincerity and honest belief that the allegation or information is true. Such persons or parties, without limitation, include IDB Group staff, contractors, consultants, government officials, officials in the Executing Agencies and Implementation Units.

3.2 A Witness is any person who provides information or evidence in an investigation at the request of the GIO regarding a matter under investigation. Such information may include testimony or evidence, and may or may not concern Corrupt and Fraudulent Practices in the IDB Group activities.

3.3 Retaliation is any direct or indirect detrimental action recommended, threatened, or taken because an individual or an entity raised concerns in good faith regarding Corrupt and Fraudulent Practices in the IDB Group’s activities. Retaliation against a whistleblower or witness constitutes misconduct and includes but is not limited to,
wrongful termination, harassment, discriminatory treatment, assignment of work outside the corresponding job description, inappropriate performance appraisals or salary adjustments, or the withholding of an entitlement. Retaliation against external parties may also include, but is not limited to, retaliation in recruitment, in the award of contracts, in the administration of contracts, in evaluations of performance, and in the execution or negotiation of dealings with the IDB Group.

[N.B. For the purpose of this Policy, the term “Whistleblower” shall include both Whistleblower and Witness]

4. Scope of the Policy

This Policy shall apply where in the view of the Whistleblower, factors such as probation reports, performance evaluations, pay entitlements, work assignments and opportunities or any form of detrimental action is being used by management in a retaliatory manner. Similarly, the Whistleblower protection will apply to external parties to the extent herein provided. However, the Policy does not apply to complaints of IDB Group staff associated with unsatisfactory probation reports, performance evaluations, discriminatory work assignments, equal employment opportunities, sexual harassment or any other personal grievances. These shall be referred to the Group Ombudsman, Human Resources Management Department and other mechanisms established by the IDB Group for such grievances.

5. Duty to Report and Prohibition of Retaliation

5.1 It is the duty of all IDB Group employees to report suspected Corrupt and Fraudulent Practices. It is also the duty of all employees to cooperate with GIO investigations, audits, or other inquiries. External parties may be contractually required to cooperate with an investigation, audit or other inquiry, and encouraged to do so to support the IDB Group’s institutional integrity.

5.2 Accordingly, retaliation against Whistleblowers is expressly prohibited and is a form of misconduct. The IDB Group employees or external parties should be free to report to the IDB Group authorities allegations of Corrupt and Fraudulent Practices in the activities financed by the IDB Group, and to cooperate with the IDB Group authorities in the context of an investigation, audit or other inquiry without fear of retaliation.

6. Protection and Remedies for Whistleblowers and Consequences of Retaliation

6.1 The IDB Group will pursue all reasonable steps to protect Whistleblowers acting in good faith and ensure that they are not subject to retaliation, and will protect the Whistleblower’s identity and person. In this respect, any person who reports suspected Corrupt and Fraudulent Practices may remain anonymous or request that his or her name
be kept confidential. However, Whistleblowers are encouraged to report in a manner that will facilitate effective investigation, which in general requires open or confidential rather than anonymous reporting. Even where anonymous allegations are sufficiently detailed or supported to permit an investigation to be conducted, no final conclusion of Corrupt and Fraudulent Practices will be made based solely on the anonymous allegations without independent corroboration.

6.2 In this regard, the IDB Group will maintain the Whistleblower’s identity confidential unless:

(i) the Whistleblower agrees to be identified;
(ii) identification is necessary to allow the GIO to investigate or respond effectively to the disclosure;
(iii) identification is required by law or under the IDB Group’s rules, policies and procedures, where a false accusation has been maliciously made; or
(iv) an IDB Group staff member is the subject of the allegations and has the right to be informed of the allegations under the IDB Group’s rules, policies and procedures in the disciplinary proceedings. In such eventuality, the GIO shall inform the Whistleblower prior to revealing his or her identity.

6.3 In addition, the IDB, or the concerned member of the IDB Group, may provide further reasonable protection as the case may be and based upon the GIO’s recommendations, as follows:

(i) Where the Whistleblower is an IDB Group staff and there is a reasonable concern that he or she may, due to reasons directly related to his or her actions a Whistleblower, suffer personal injury or that the safety and well-being of the staff’s family may be at risk, the IDB, or concerned member of the IDB Group, may take reasonable measures to secure the staff member and his family’s personal safety and security.

Where the Whistleblower is an IDB Group staff and the IDB, or concerned member of the IDB Group, determines that the IDB Group staff is in a life-threatening situation, due to reasons directly related to his or her actions a Whistleblower, IDB or concerned member of the IDB Group, may take immediate reasonable action to protect the Whistleblower. These measures shall be at the discretion of IDB Group.

(ii) Where an IDB Group staff has suffered retaliation or is threatened with retaliation because of assistance he or she gave in an investigation or audit. On the recommendations of the GIO, the IDB, or concerned member of the IDB Group, may take reasonable steps to prevent such actions from taking effect or otherwise having a detrimental effect on the staff member. The IDB Group staff who believe that retaliation has been taken against them because of whistle blowing or cooperating with an investigation or audit, should contact the GIO with all information and documentation available to them in support of their complaint. The GIO shall review the evidence provided and may decide to initiate an
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... (iii) Where a party external to the IDB Group reasonably believes they have been or may be retaliated against because they cooperated with an investigation by the IDB Group, the IDB or concerned member of the IDB Group, shall examine the situation and decide, at its discretion, on the reasonable and appropriate assistance that the IDB Group may provide to secure that party's protection.

6.4 The IDB Group may take disciplinary action against those who engage in retaliation. If established by the GIO, an IDB Group staff (including member of management) who has threatened to retaliate and/or retaliated against a Whistleblower shall be subject to disciplinary action, which may result in termination of employment.

6.5 If it is established by the GIO that an external party, with whom the IDB Group has dealings, has committed an act of retaliation, the IDB Group may review its dealings with such party and may terminate its dealings with such party, refrain from future dealings with such party, or exercise contractual remedies, if applicable.

6.6 The protection that the IDB Group may provide to external parties shall be at the discretion of the IDB Group. However, if an IDB Group staff retaliates against a contractor or its employees for cooperating with an IDB Group investigation, the IDB Group will treat this as misconduct, subject to disciplinary action. Retaliation that may be committed by the IDB Group contractors, may result in a review of their contract with the IDB Group and possible contract termination.

6.7 On the other hand, any party who makes malicious and knowingly false allegations of Corrupt and Fraudulent Practices will not receive Whistleblower protection by the IDB Group. IDB Group staff who make knowingly false and malicious allegations shall be subject to disciplinary action in accordance with the IDB Group rules, policies and procedures. Individuals or entities, including contractors, suppliers, or consultants, who report knowingly false and malicious allegations may have their contract(s) terminated and/or be declared ineligible to participate in IDB Group-financed activities.

6.8 IDB Group staff who have engaged in Corrupt and Fraudulent Practices may not receive Whistleblower protection to avoid disciplinary action by reporting Corrupt and Fraudulent Practices. However, depending on the circumstances, their level of cooperation with an IDB Group investigation may be taken into consideration when determining the appropriate disciplinary action.

6.9 External parties that engaged in Corrupt and Fraudulent Practices will not receive Whistleblower protection by the IDB Group and may not avoid sanction or other remedial action by reporting Corrupt and Fraudulent Practices. However, depending on the circumstances, their level of cooperation may be taken into consideration in determining the appropriate sanction or other remedial action.
7. Internal Reporting of Potential Retaliation

7.1 Whistleblowers who believe that they have been the victim of retaliation by an IDB Group employee or external party should report their concerns to the GIO.

7.2 The GIO shall refer allegations concerning external parties to the appropriate IDB Group authority in accordance with the IDB Group rules, policies and procedures.

7.3 Whistleblowers who believe that they have been the victim of retaliation by a member of the Board of Executive Directors should report their concerns in accordance with the Code of Conduct of the Board of Executive Directors.

7.4 The IDB Group Ombudsman, Human Resources Management Department or any member of management who received complaints of retaliation from a Whistleblower who reported Corrupt and Fraudulent Practices should refer such complaints to the GIO.

7.5 Reporting to the GIO should be made promptly once a Whistleblower believes that he or she has been the subject of retaliation.

7.6 Allegations of retaliation will initiate an investigation and recommendations by the GIO to the President designed to protect the rights of all parties and the interest of the IDB Group, during and after the investigation.

8. External Reporting of Potential Retaliation

8.1 Protection against retaliation will be extended to an IDB Group staff member who reports suspected Corrupt and Fraudulent Practices to an entity or individual outside of the established internal mechanisms where the staff member can show that:

(i) such reporting is necessary so as to avoid
   a) a significant threat to public health and safety;
   b) substantial damage to the IDB Group’s operations; or
   c) violations of national or international law; and

(ii) the established internal mechanisms are inadequate because:
   a) the staff member has grounds to believe that it is not possible to report the suspected Corrupt and Fraudulent Practices pursuant to any of the established internal mechanisms because all such avenues would subject the staff member to retaliation within the institution; or
   b) the staff member has grounds to believe that it is not possible to report the suspected Corrupt and Fraudulent Practices pursuant to any of the established internal mechanisms because all such avenues would create a likelihood that
evidence relating to the Corrupt and Fraudulent Practices will be concealed or destroyed; or

c) the staff member has previously reported the suspected Corrupt and Fraudulent Practices through the established internal mechanisms (and not on an anonymous basis), and the IDB Group has failed to inform the staff member in writing of the status of the matter within six months of such report; and

(iii) the staff member does not accept payment or any other benefit from any party for such report.

8.2 Reporting to an authority outside of the IDB Group by employees in accordance with this Section shall not be considered a breach of the employee's obligations with regard to the IDB Group Code of Conduct and other policies governing the use of confidential information.