



NORDIC  
INVESTMENT  
BANK

FINANCING  
THE  
FUTURE



# Project Accountability Policy

Adopted by the Board of Directors of the Nordic Investment Bank  
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## Definitions

**“Compliance Review”** means a review into a report of NIB’s alleged failure to comply with a Relevant Policy in connection with a NIB Financed Activity, which is believed to have caused, or to be likely to cause, Harm to individuals and/or Organisations.

**“Harm”** means any direct or indirect environmental, social or cultural harm, such as, but not limited to: labour and working conditions; health and safety; pollution; land acquisition, involuntary resettlement or economic displacement; impacts to biodiversity, protected areas, or the sustainable management of living natural resources; loss of tangible or intangible cultural heritage, or a lack of stakeholder engagement or information disclosure.

**“NIB Financed Activity(ies)”** means an activity for which financing is sought by a borrower, in whole or in part, from NIB as defined in the financing agreements and as approved by the Board of Directors, or NIB’s management as delegated by the Board of Directors.

**“Organisation”** means any entity, association or group around which civil society voluntarily organises itself, which is authorised to represent specific interests of a community or civil society that are likely or have suffered Harm. Organisations include community-based organisations, civil society organisations, non-governmental organisations, indigenous peoples’ organisations, business associations and trade unions.

**“Relevant Policy(ies)”** means to include, the section related to Lending operations under the Sustainability Policy, the Environmental, Social and Governance Guidelines for Lending, and the Lending disclosure requirements under section 6 of the Public Information Policy, as may be published from time to time.

**“Reporter”** means an individual(s), Organisation(s), or a representative of these, submitting a report of non-compliance.

# PROJECT ACCOUNTABILITY POLICY

## 1 INTRODUCTION

The Nordic Investment Bank (“**NIB**”) holds itself, as well as its borrowers, counterparties and other stakeholders to high ethical standards.

To support NIB meeting its own standards with regards to transparency, predictability, accountability, responsibility and disclosure, NIB has established a process to ensure accountability of NIB through a review of its activities and operations if an individual or group of individuals suffer Harm as a result of those activities or operations. This process is described in the Project Accountability Policy (“**Policy**”).

The process described in this Policy is not a judicial process and is not designed to establish guilt or innocence, or to adjudicate fault or apportion blame among the parties involved. The process is intended to address any existing non-compliance and related Harm, and to prevent further non-compliance and Harm as applicable.

## 2 SCOPE

This Policy sets out the principles and process according to which NIB handles and reviews reports of alleged non-compliance with the section related to Lending operations under its Sustainability Policy, the Environmental, Social and Governance Guidelines for Lending, and the Lending disclosure requirements under section 6 of its Public Information Policy, (“**Relevant Policies**”) raised by individuals or Organisations who believe to have suffered, or are likely to suffer, Harm in connection with a NIB Financed Activity.

The objective of a review of such reports is to determine whether (i) NIB has complied with its Relevant Policies in relation to a NIB Financed Activity, and (ii) if, as a result of NIB’s non-compliance, individuals or Organisations have suffered, or are likely to suffer, Harm (“**Compliance Review**”).

The Integrity & Compliance Office (“**ICO**”) is the independent function responsible for managing the accountability process.

### 2.1 Outside of scope

Outside the scope of this Policy are:

- i. reports of Prohibited Practices<sup>1</sup> and Misconduct<sup>2</sup> against External Parties and/or NIB employees;
- ii. reports submitted fraudulently, frivolously or maliciously seeking to gain personal, competitive or other advantage;
- iii. reports of non-compliance with NIB’s Relevant Policies by a party other than NIB, including the actions or decisions of a national or local authority;
- iv. reports about the adequacy or suitability of NIB’s existing policies and procedures;

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<sup>1</sup> “Prohibited Practice” as defined in NIB’s Integrity and Compliance Policy.

<sup>2</sup> “Misconduct” means as defined in NIB’s Code of Conduct for Staff.

- v. reports filed more than five years after the last disbursement or payment under the relevant NIB Financed Activity.

### 3 GUIDING PRINCIPLES

In the application of its functions, ICO follows these guiding principles:

- **Independence.** ICO reports to the Board of Directors and carries out all functions independently.
- **Objectivity and impartiality.** ICO handles and reviews all reports in a fair manner. If ICO, or any of its employees, has an actual or perceived conflict of interest, they will refrain from managing and reviewing a report.
- **Transparency.** ICO aims to keep all parties involved in a report informed about the status and the outcome of the process.
- **Effectiveness.** ICO strives to respond in a timely manner to concerns raised in a report.
- **Accessibility.** ICO is accessible to the Reporter and/or interested organisations or individuals.

### 4 SUBMITTING A REPORT

#### 4.1 Who can submit a report

A report can be submitted by any individual(s) or Organisation(s), or a representative of these, who believes that NIB has failed to comply with a Relevant Policy and, as a result, a NIB Financed Activity has caused, or is likely to cause, Harm to them.

If the Reporter is being assisted by a representative, the representative will have the appropriate authorisation letter signed by the affected individual(s) and/or Organisation(s).

#### 4.2 How to submit a report

A report may be filed with ICO in writing by any of the following means:

- **Email**  
complaints@nib.int
- **Post**  
Integrity & Compliance Office  
Nordic Investment Bank  
Fabianinkatu 34  
P.O. Box 249  
FI-00171 Helsinki  
Finland

Reports received by other units within the Bank and falling under the scope of this Policy shall be forwarded to ICO without delay.

#### 4.3 What to include in the report

A report must include:

- i. the name(s) of the individual(s), Organisation(s) submitting the report and their contact information (including a residential or mailing address, a phone number, and/or email address);
- ii. a description of the project or activity in question that is sufficient to confirm that it is a NIB Financed Activity;
- iii. a clear description of the Harm or potential Harm which the project or activity is believed to have caused, or is likely to be caused to the individual(s) or Organisation(s) submitting the report; and
- iv. a brief description of how NIB's Relevant Policies have not been followed.

## 5 CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

Confidentiality of the identity of the Reporters and other individual(s) listed in the report may be granted upon written request by the Reporters. Confidentiality will be considered by ICO as soon as possible following receipt of the report. If, ICO reasonably believes that maintaining confidentiality is not possible to uphold due to the nature of the report, or because it prevents the appropriate review of a report, ICO will inform the Reporter prior to taking any further actions and engage them to determine the way forward. All reasonable efforts will be made to maintain the confidentiality requested.

All information pertaining a report of non-compliance by NIB and/or a Compliance Review are confidential to the parties involved and not subject to disclosure.

## 6 ELIGIBILITY ASSESSMENT

Upon receiving a report, ICO will determine if the report falls within the scope of this Policy and is eligible for a Compliance Review.

In determining the eligibility of the report, ICO will consider whether the report:

- a. Clearly identifies a NIB Financed Activity.
- b. Demonstrates how the NIB Financed Activity is non-compliant with NIB's Relevant Policies.
- c. Describes how the alleged non-compliance with NIB's Relevant Policies is causing or is likely to cause Harm to an individual(s), or Organisation(s).

In conducting the eligibility assessment, ICO may reach out to the Reporter to seek clarifications or further information.

If ICO assesses that the report is not eligible for a Compliance Review, the report will be closed, and the Reporter, NIB's management and the Board of Directors informed accordingly. If at a later point, credible new information is received pertaining to a report that was closed, ICO may re-assess the decision.

## 7 NOTIFICATION TO NIB'S MANAGEMENT

Once ICO has determined that the eligibility criteria described in section 6 above are met, ICO will notify the head of the relevant function ("**Head of Department**") and the President. The notification shall include the report.

The CCO will also notify the Board of Directors of the receipt of an eligible report.

## 8 RESPONSES TO AN ELIGIBLE REPORT

Within 20 working days following the notification to the Head of Department and the President, the Head of Department may:

- a. Submit to ICO an action plan and a timeline for its implementation to address existing non-compliance and related Harm, and to prevent further non-compliance and Harm. ICO shall assess if the action plan is sufficient.
  - i. If the action plan is deemed sufficient, ICO will submit it to the Board of Directors for approval. Thereafter, the process described in sections 11 and 12 apply.
  - ii. If the action plan is deemed insufficient, ICO will revert back to the Head of Department with the reasons leading to this assessment. The Head of Department will have 10 working days to provide a revised action plan. If the revised action plan is deemed sufficient, ICO will submit it to the Board of Directors for approval. If the revised action plan is deemed insufficient, a Compliance Review will be conducted.
- b. Not submit an action plan. In these cases, Compliance Review will be conducted.

In some instances, ICO may determine that a dialogue between the Reporter, NIB and other parties to the NIB Financed Activity, including borrowers, is a more beneficial and viable option to resolve any environmental, social and public disclosure issues underlying a report. ICO will propose this alternative to the parties involved who may accept or reject the proposal. In the case of acceptance, ICO can facilitate the process to help find mutually satisfactory resolutions through flexible, consensus based problem-solving approaches. The process shall not last longer than six months after the acceptance to enter into a dialogue by the parties, unless ICO recommends an extension of this period to the Board of Directors. The final outcome and action plan and timeline will be presented to the Board of Directors for approval. In cases where a mutually agreeable solution is not found, ICO will determine if a Compliance Review is warranted.

## 9 COMPLIANCE REVIEW

### 9.1 Initiating a Compliance Review

Should a Compliance Review be applicable in accordance with section 8, ICO will notify the Reporter, the Head of Department and the President, ten working days prior to commencement of the Compliance Review. As part of the notification, ICO will include the objectives and scope of the review, a description of the NIB Financed Activity and a proposed timeline.

### 9.2 Conducting a Compliance Review

During the Compliance Review, ICO will seek to determine whether NIB, through its actions or inactions, has failed to comply with any provision of its Relevant Policies, and if, as a result of such non-compliance, individuals or Organisations have suffered, or are likely to suffer, Harm.

During the review, ICO will collect, and review documentation related to the report, conduct on-site inspections, interview NIB employees and other relevant parties.

ICO has unrestricted access to all relevant records which are produced in the course of NIB's operations, NIB's property, in NIB's custody, under NIB's control or obtained by means of NIB's right of inspection or audit as established in agreements with the involved parties for the purposes of a Compliance Review pursuant to this Policy.

In certain cases, ICO may decide to consult, seek assistance or outsource parts or the whole review to an external expert. In these cases, ICO will be responsible for procuring the services in accordance with NIB's Rules for Internal Procurement and coordinating the review.

Reporter(s), employees and consultants appointed by NIB are obliged to cooperate with ICO and to provide relevant documents and information relating to the case. Other relevant parties, such as borrowers and executing agencies, may be contractually required to cooperate with a Compliance Review, and are otherwise encouraged to support NIB.

### **9.3 Preliminary findings and NIB's Management's response**

ICO shall present the preliminary findings of the Compliance Review to the Head of Department and the President.

The Head of Department and the President have an opportunity to respond to the findings and provide further information within 10 working days following the receipt of the preliminary findings.

### **9.4 Compliance Review Report**

After the Compliance Review is concluded, ICO will prepare a report of its findings on whether an action or omission by NIB in relation to a NIB Financed Activity resulted in:

- i. non-compliance with one or more Relevant Policies, including the Policy in question and a description of the non-compliance, and
- ii. Harm to the Reporter, including a description of the Harm.

The report will include NIB's management's response to the preliminary findings, if any. ICO may also include observations and project-specific and procedural changes to NIB practices and/or Relevant Policies to address existing non-compliance and related Harm, and to prevent further non-compliance and Harm and promote institutional learning and capacity building.

### **9.5 NIB Management's response to the Compliance Review Report**

Prior to the presentation of the Compliance Review Report to the Board of Directors, the final report will be shared with the Head of Department and the President. The Head of Department and the President may decide to present a written statement in response to the Compliance Review Report.

## **10 DECISION BY THE BOARD OF DIRECTORS**

The Board of Directors is responsible for reviewing the Compliance Review Report and any written statement provided by Head of Department and/or the President.

If the Board of Directors agrees with ICO's finding of compliance, the Board of Directors shall instruct ICO to close the matter and notify the Reporter of the outcome of the Compliance Review.

In the case of a finding of non-compliance, the Board of Directors shall instruct NIB's management to elaborate and submit to ICO an action plan to address existing non-compliance and related Harm, and to prevent further non-compliance and Harm as applicable. The action plan shall include a specific set of measures and a timeline for their implementation. Once the action plan is presented to ICO, it will determine if the proposed action plan is sufficient to address the existing non-compliance and related Harm, and to prevent further non-compliance and Harm. The action plan will be presented to the Board of Directors for approval prior to implementation.

The decision by the Board of Directors is final.



## **11 NOTIFICATION TO REPORTER**

ICO will notify the Reporter of the Board of Director's decision and share the approved action plan, if applicable.

## **12 MONITORING IMPLEMENTATION**

ICO is responsible for monitoring the implementation of any recommendation or action plan approved by the Board of Directors and reporting on the progress of the implementation and completion of the measures to the Board of Directors at least on a bi-annual basis. ICO will also maintain the Reporter informed of the developments.

## **13 PRIVACY AND PERSONAL DATA**

Personal data obtained during the course of managing a report will be handled in accordance with NIB's rules on personal data.

Personal data may be transferred to external parties, including a consultant or consultancy company appointed by the CCO to conduct or assist in the review, or a co-financing IFI in accordance with NIB's rules on personal data.

## **14 NO WAIVER OF PRIVILEGES AND IMMUNITIES**

Nothing in this Policy shall be considered as a waiver of NIB's privileges and immunities as set forth in the Constituent Documents<sup>3</sup> or in applicable national or international law.

## **15 RECORD-KEEPING AND REPORTING**

ICO is responsible for safe-keeping and storing the files and information related to a report falling under the scope of this Policy for not less than ten years.

In addition, ICO will keep a register of all reports, including reports that were not eligible for Compliance Review, and their status.

The number of reports received, and their outcome, will be included in NIB's annual Integrity Report.

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<sup>3</sup> NIB's constituent documents include the Agreement between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden concerning the Nordic Investment Bank of 11 February 2004 and the related Statutes, as amended from time to time, and the Host Country Agreement between the Government of Finland and the Nordic Investment Bank of 20 October 2010. These documents are available on NIB's website, [www.nib.int](http://www.nib.int).