



Greenpeace


● This article is more than **11 years old**

Greenpeace losses: leaked documents reveal extent of financial disarray

Emails and meeting notes show group's finance department has a long history of problems in its handling of the £58m budget

Adam Vaughan

Mon 23 Jun 2014 10.09 BST

 Prefer the Guardian on Google

The handling of **Greenpeace** International's £58m budget has been in disarray for years, with its financial team beset by personnel problems and a lack of rigorous processes, leading to errors, substandard work and a souring of relationships between its Amsterdam headquarters and offices around the world, documents leaked to the Guardian show.

Coming after it emerged that **a staffer had lost £3m on the foreign exchange market by betting mistakenly on a weak euro**, the documents show that the group's financial department has faced a series of problems, and that its board is troubled by the lack of controls and lapses that allowed one person to lose so much money.

Greenpeace, which prides itself on being largely funded by relatively small individual donations, **apologised to supporters for the loss**, claiming that the "serious error of judgment" was the result of a single staff member "acting beyond the limits of their authority and without following proper procedures". But the documents show that internally the group is worried about the organisational failings that allowed it to happen.

Minutes of a board meeting in the spring this year say: "The board takes this [the £3m loss] very seriously and is deeply concerned that there should be such financial loss at a time of transition - when reserves are stretched and income is substantially lower than projected, and it is particularly troubled by how it happened, ie the lack of strong, coherent processes and controls that prevent the possibility that contracts can be entered into without due authorisation."

One of the biggest and highest-profile environmental campaigning groups, Greenpeace has more than 2,000 employees globally and thousands more volunteers. It is based in Amsterdam and has 28 offices around the world, which campaign and raise funds independently, including Greenpeace UK, which this year successfully **sent six activists to climb to the top of the Shard**, Europe's tallest building, to send a message opposing Shell's plans for oil drilling in the Arctic.

The leaked material also reveals that:

the group's public face and top campaigner, executive director **Kumi Naidoo**, admits that internal communications are a "huge problem" and staff have "good reason" to be upset at a range of problems;

staff are concerned at being shifted from Amsterdam on Dutch wages to national offices on lower local wages, as part of a major restructuring effort to decentralise the group;

the group did not campaign to have one of its three ships, the Arctic Sunrise, released by Russia because the political circumstances would have made it a “wasted effort”.



📷 A sign aboard the Greenpeace ship the Rainbow Warrior III during an open day in London, November 2011. Photograph: Graeme Robertson for The Guardian
Photograph: Graeme Robertson/The Guardian

The Guardian has also learned that one of the group’s most senior executives, Pascal Husting, Greenpeace International’s international programme director, works in Amsterdam but flies between the city’s offices and his home in Luxembourg several times a month.

Naidoo defended the arrangement, saying: “Pascal has a young family in Luxembourg. When he was offered the new role, he couldn’t move his family to Amsterdam straight away. He’d be the first to say he hates the commute, hates having to fly, but right now he hasn’t got much of an option until he can move. He wishes there was an express train between his home and his office, but it would currently be a 12-hour round trip by train.”

The loss of £3m, paid out this year, comes as the group is already dealing with lower than expected income, despite [the Arctic 30 incident last year](#), when dozens of its activists and several journalists were imprisoned by Russia over a protest at oil drilling in the Arctic. Greenpeace International has said it will soon report a £5.4m deficit - which includes the £3m - for 2013.

Mike Townsley, the group’s head of communications, told AP last week of the £3m loss: “Hindsight is 20/20, but we believe if he [the individual who made the transactions] had followed rules and procedures, this wouldn’t have happened.”

However, a strategy document dated November 2013 shows that problems seem to extend well beyond one individual and that Greenpeace International’s senior executive team was aware of widespread problems in its finance department that date back years.

“[The] international finance function at GPI [Greenpeace International] has faced internal team and management problems for several years and the situation did not improve during 2013 despite efforts and support,” the document warns.

“This has resulted in errors and sub-standards in the quality of financial systems, information and support provided to the teams, units in GPI and NROs [national reporting offices], and have on occasions adversely affected relationship between GPI and NROs.”

As the story of the losses unfolded last week after [it was broken by Der Spiegel](#) and picked up by international media, Townsley emailed colleagues to say: “This is a bad story for us and the best we can do is be honest and respectful to our audiences.”

The leaked material seems to show disquiet over a continuing major restructuring, aimed at moving staff from Greenpeace International’s base in Amsterdam to national offices across the world to fulfil Naidoo’s goal of better tackling environmental problems in the global south. “This [2014] will be a testing year for all of us,” the strategy document warns.

Some staff are concerned at being moved from Dutch wages to lower, local wages at regional operations. An audio recording of a staff meeting this year includes a male employee telling Naidoo and other senior staff: “One of the biggest challenges is salaries ... If I had to identify one problem clearly it’s going to be salaries.”



Adam Vaughan 3

Kumi Naidoo on communications at Greenpeace



Share

[Privacy policy](#)

The audio recording reveals Naidoo telling the same meeting: “On communications ... let me just concede that we have a huge problem with the way we are doing communications, I want to own that and take responsibility for that. It’s not where it needs to be.”

He added: “There’s good reason why people actually are upset about a range of things. But when I looked at what the problem was, it was actually a patent lack of communication, not just a lack of communication but not communicating at the right time, and things not clear.”

He later sent an email to staff admitting: “Last Thursday’s staff [meeting] was tough; hardly surprising given what we are trying to achieve and the impact that it will have upon all of us.”

The documents and material also give an insight into internal debates over future actions in Russia following the Arctic 30 last year, which eventually saw the release of all 30 activists and journalists and, earlier this month, [the release of the group’s icebreaker, the Arctic Sunrise](#). The ship is still in Murmansk, Russia, while Greenpeace arranges for people to examine its condition.

“[After the Arctic 30] one of the key debates we need to have is defining the ethical and appropriate levels of risk that we are willing to take,” minutes of the board meeting this year note. The minutes also say: “It was queried why there has been no campaigning to bring attention to the AS [Arctic Sunrise] and gain public support for a successful return of the ship since the safe return of the activists. Pascal [Husting] said that under the current political circumstances launching a campaign to free the ship would probably be a wasted effort.”

Gerald Steinberg, president of NGO Monitor, which seeks to make NGOs more transparent and accountable, said he saw parallels with the [financial problems Amnesty International](#) had experienced in recent years.

“The extent of it [the financial problems] was not something I expected [at Greenpeace]. But it’s part of the fact that NGOs keep things very much within the organisation; there’s no culture of accountability. They call on governments to be accountable but they lack this in so many ways, so in that sense it’s not a surprise.”



Two Greenpeace activists display a banner beneath the clock face of Big Ben on the first anniversary of the invasion of Iraq. Photograph: David Bebbler/Reuters

He said a shift in culture was required to address the problems. “It requires a cultural change. NGOs tend to see themselves as insurgents. They have now become the establishment but without the structures that are required for such large organisations - they can no longer think of themselves as insurgents but as corporate organisations. That hurts their self-image but there is no other way to avoid the financial meltdowns that can take place.”

Naidoo told the Guardian that changes were already under way to address the handling of its budget. “Greenpeace International’s annual accounts have always been given a clean bill of health by independent auditors. However, there have definitely been ongoing problem with some of the systems and high staff turnover in our international finance unit, no denying it.

“That’s why I hired a new head of finance who has over 20 years’ experience working with international NGOs. We have also strengthened his team. He’s already put checks in place to make sure the problems we have had are a thing of the past.”

He also said the restructuring was not about reducing staff numbers but about redeploying people. “This restructuring is not about reducing the number of people working full time on Greenpeace campaigns; it’s about making sure we have people where we need them, and increasingly that’s not in Amsterdam. The big environmental issues are increasingly in the southern hemisphere, be it Indonesian or Amazonian deforestation, Chinese coal plants or overfishing in the Indian and Pacific Ocean.”

More on this story

Greenpeace urges Lego to end Shell partnership

1 Jul 2014



To target Greenpeace’s flying director is to miss the point

25 Jun 2014



Greenpeace executive to commute by train instead of plane

24 Jun 2014



Greenpeace defends top executive flying to work

23 Jun 2014



Greenpeace gamble could divide against climate

17 Jun 2014



Most viewed
