



# ANTI CORRUPTION POLICY

# CORRUPTION

Corruption is defined as the misuse of entrusted power for private gain. Corruption is best known as bribery, fraud, embezzlement and extortion. Corruption threatens good governance, sustainable development, democratic process, and fair business practices.

The target group of this anti-corruption policy is all DanChurchAid employees. As DanChurchAid employees, we are obligated to follow this anti-corruption policy and any breaches of this policy shall be reported through the DanChurchAid complaint mechanism (specified below).

Corruption threatens good governance, sustainable development, democratic process, and fair business practices. Thus fighting corruption is building civil society and eliminating social injustice, which is in line with DanChurchAid's vision: "To help and be advocates of oppressed, neglected and marginalised groups in poor countries and to strengthen their possibilities of a life in dignity".

According to Transparency International's Corruption Perception Index the countries that DanChurchAid operates in are among the countries most at risk to corruption in the world. DanChurchAid must secure that the funds we manage do not end up in the wrong hands.

DanChurchAid is entrusted with funds from a variety of donors and works to secure they are spent correctly and transparently.<sup>1</sup> DanChurchAid holds a great responsibility to avoid corruption and secure that the funds are spent correctly toward donors, partners and beneficiaries.

As employees of DanChurchAid we are responsible for upholding and promoting the highest standards of ethical and professional conduct. Working in different countries, sometimes in complicated and difficult situations, among different languages, cultures and religions requires a lot from the employees. Knowledge, respect and common sense are some of the keywords that should be guiding our work.

The purpose of this anti-corruption policy is to support a behavior characterised by high standards of personal and organisational integrity, both internally and with other external stakeholders (partners).

## General

Corruption is defined as the misuse of entrusted power for private gain. Corruption is best known as bribery, fraud, embezzlement and extortion, and some of the examples will be listed in more detail below.

Corruption has many faces. It may be in the form of money or of providing services in order to gain advantages such as favourable treatment, special protection, extra services, or reduced delays. It is important to realise that corruption is not exclusively a matter of money. To provide a person with a job, services or other favours, can in certain circumstances also be construed as corruption.

### **Personal security and safety should never be compromised to live up to this policy.**

As DanChurchAid staff we are responsible for following and abiding by the rules and regulations of national and international law. Furthermore we have to abide by the international conventions signed by the country, in which we operate.

It is the responsibility of DanChurchAid to inform partner organisations and other relevant stakeholders about this policy.

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<sup>1</sup> Vision & Plan: Subobjective C: "To ensure correct and transparent handling of the financial resources entrusted to DanChurchAid".

# Anti-corruption principles

The following is a listing of the principles in DanChurchAid's anti-corruption policy:

- 1 Conflicts of interest
- 2 Abuse of power and extortion
- 3 Fraud and Embezzlement
- 4 Bribery
- 5 Nepotism and favouritism
- 6 Gifts

## 1. Conflict of interest

**We will avoid any unexpedient conflicts of interest – real or potential – between our personal interest and the interest of DanChurchAid.**

Avoiding conflicts of interest is the overall principle in fighting corruption. Conflict of interest arises from situations in which you as a DanChurchAid employee have a private interest that could influence your professional performance.

Conflicts of interest can occur quite frequently and are not necessarily corrupt. It is how they are identified and managed that is important. If conflict of interest situations are not properly identified and managed, they can endanger the integrity of DanChurchAid and can result in corruption. The staff member is expected to show good judgment and when in doubt, contact the superior. In questions of conflict of interest it is important to use personal judgment and common sense to make the right decisions.

The following principles are all in some ways examples of conflict of interests.

## 2. Abuse of power and extortion

**We will not seek to influence any person or institution for private purpose by using our official position or offering them personal advantages. Likewise, we will not use DanChurchAid property, facilities, services and financial resources for private purposes except when permission is given. We will not use any forms of extortion as a method to gain advantages.**

This principle implies that you should not use your professional status for private gain. Misuse could be to gain advantages that you would not have gained otherwise. Relations to suppliers must not be used to gain reduced price on e.g. computers, cars, food, consultant support or travelling for private use. You are also not allowed to abuse your power as a manager to get personal favours or services done by employees.

## 3. Fraud and Embezzlement

**Fraud and embezzlement are illegal and must not be used as methods to gain personal or professional advantages or property in relation to DanChurchAid, partner organisations or any other stakeholders.**

Fraud is defined as economic crime involving deceit, trickery or false pretences, by which someone gains advantages or funds unlawfully. Embezzlement is defined as the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian.

Examples of fraud and embezzlement are false documentation, lying about qualifications and abusing power/knowledge to steal cash and equipment from the office, misusing funds entrusted to us.

Rules for accounting and documentation shall therefore be applied to at all times. E.g. approval of payments has to follow the "Accounting Manual for DCA Regional Offices" and approval of programmes and projects has to follow the "Programme and Project Manual" (PPM). All are expected to show honesty.

#### 4. Bribery

**We will not give or accept bribery in any form.**

Bribery is defined as the act of offering someone money, services or other valuables, in order to persuade him or her to do something in return. (Bribes are also called kickbacks, baksheesh, payola, hush money, sweetener, protection money, boodle, gratuity.)<sup>2</sup>

One example is that we do not receive bribes from potential partners to make contracts with them and we do not give bribes to our partners as a way of influencing. We base our cooperation with partner organisations on mutual ownership, accountability, participation, equality, harmonisation and alignment (DanChurchAid Partnership Policy for International Co-operation).

Bribery is illegal in all countries and harms the opportunities for fair trial and fair competition; it creates in-transparent business markets that can be hard or impossible to access.

#### 5. Nepotism and favouritism

**We will not favour friends, family or other personal relations in recruitment, procurement, aid delivery or other situations.**

Nepotism is favouritism toward relatives and friends, based upon that relationship, rather than on an evaluation of ability or suitability. For instance, offering employment to a relative or friend, despite the fact that there are others who are better qualified and willing to perform the job, higher earnings, and other benefits to employees who are relatives of management.

To avoid favouritism and nepotism in procurement we follow the DanChurchAid Procurement Manual, access here: [www.danchurchaid.org/sider\\_paa\\_hjemmesiden/procurement/dca\\_procurement\\_manual\\_3rd\\_edition](http://www.danchurchaid.org/sider_paa_hjemmesiden/procurement/dca_procurement_manual_3rd_edition). In recruitment at Regional Offices we follow the DanChurchAid "Recruitment policy for national staff" and in recruitment in Head Quarters we follow the recruitment policy.

It is important to underline that if conflicts of interests are handled, it can be acceptable to hire/work with family or friends.

#### 6. Gifts

**We will not give or receive, directly or indirectly, any gift or other favour that may influence the exercise of our function, performance of duty or other ways of possibly harming DanChurchAid. Gifts are defined as but not limited to: services, travel, entertainment, material things or favours. In order to respect local traditions and conventional hospitality minor gifts are accepted.**

The value of an acceptable gift varies over the countries in which DanChurchAid operates. Cash gifts are never accepted. All employees are expected to show good judgment and when in doubt, contact the superior. A rule of thumb is that a gift should never influence your independent judgment and share the minor gifts that you accept with you colleagues.

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<sup>2</sup> Facilitation payments: Facilitation payments are small payments made to public or other officials in order to expedite or secure activities and actions of a routine nature. Routine nature is here defined as activities and actions that are a part of our staffs daily duties and functions.

DanChurchAid strongly opposes facilitation payments and this type of payment should not be paid. DanChurchAid, however, acknowledges that we work in parts of the world where it can be extremely difficult to avoid these transactions altogether.

Facilitation payments must be documented with receipts and should (as all breaches of the anti-corruption policy) be reported using the complaint mechanism. This is done in order to ensure transparency and accountability, but also to learn from these examples so that DanChurchAid can avoid similar situations in the future.

## The DanChurchAid Complaint Mechanism

As DanChurchAid employees, we are obligated to follow this anti-corruption policy and report breaches of the policy. All corruption incidents in DanChurchAid, partner organisations or other incidents related to DanChurchAid activities must be reported into the complaint mechanism. If you get suspicion, hear rumours about corruption or experience any other doubt you can ask for advice here as well.

You need to fill in a complaint form and sent it to [complaint@dca.dk](mailto:complaint@dca.dk). This e-mail box is only accessible for three employees from the Human Resource Unit in Copenhagen. On basis of the complaint, it will be considered if an investigation committee will be set up and an investigation take place.

The complaint will be handled confidentially and with great respect for the complainant and the persons/ organisations the complaint is pointing at. No anonymous complaints are accepted.

All incidents of corruption shall be reported in the complaint mechanism, also in the cases where investigation has taken place regionally. Cases where personal security was at risk shall as well be reported in the complaint mechanism.

The complaint mechanism is accessed through DanChurchAids website  
[www.danchurchaid.org/complaints](http://www.danchurchaid.org/complaints)

## Annual Anti-Corruption report and Corruption Report

The annual "Anti-Corruption Report" is an attempt to summarise what DanChurchAid does to fight and prevent corruption with financial means administered by DanChurchAid. The report is published annually on the DanChurchAid's website with the Annual Report.

A "Corruption report" is published on DanChurchAid's website and updated within 48 hours. It describes in depth the cases of corruption and fraud that DanChurchAid has handled. Sensitive issues of personal character will never be published.

The objective is to inform openly about the problems envisaged with corruption in the countries we work in – and to describe how we try to solve the problems and prevent them in future.

The reports and other relevant anti-corruption material and news are found at DanChurchAid's website  
[www.noedhjaelp.dk/anti-korruption](http://www.noedhjaelp.dk/anti-korruption) (DANISH) and  
[www.danchurchaid.org/anti-corruption](http://www.danchurchaid.org/anti-corruption) (ENGLISH).