



DCA POLICY: **ANTI-CORRUPTION**

June 2023

0. Policy Title DanChurchAid (DCA) Anti-Corruption Policy

1. Definitions

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.

For a detailed definition of each type of corruption, please refer to section 5 of this policy (Procedures and requirements).

2. Introduction

Corruption is defined as the misuse of entrusted power for private gain. Corruption is best known as bribery, fraud, embezzlement, and extortion. Some 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 favorable treatment, special protection, extra services, or reduced delays. It is important to realize that corruption is not exclusively a matter of money. To provide a person with a job, services or other favors, can in certain circumstances also be construed as corruption.

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

DanChurchAid (DCA) Anti-Corruption Policy is one of zero tolerance, where DCA does not tolerate the fraudulent and corrupt use of funds and resources by DCA staff, volunteers, or by implementing partners. DCA is therefore committed to the prevention, detection and investigation of all forms of fraud and corruption, in all its offices and among its implementing partners.

3. Policy purpose

DCA has a great responsibility towards donors, partners and recipients to ensure that the funds made available to DCA are used in a responsible, proper and transparent manner. This also means that DCA needs to ensure that its employees and partners are properly equipped to act responsibly in corrupt societies.

The purpose of the anti-corruption policy is to support a behavior characterized by high standards of personal and organisational integrity, both internally and with other external partners and stakeholders. This policy hence aims to minimise the chances of occurrence of fraud and corruption within DCA as well as within DCA partners, thereby ensuring that the funds and the assets that have been raised are protected from fraud and corruption-related losses.

DCA anti-corruption work ensures that the funds reach the right people, and that DCA employees actively counter corruption and its harmful effects. DCA's anti-corruption work is based on three principles:

1. DCA believes it is important that all its employees have a proper understanding of corruption and anti-corruption
2. DCA can and must talk about the dilemmas we can sometimes find ourselves in

3. Transparency and accountability must permeate DCA's work, also in relation to anti-corruption

DCA has taken a number of initiatives to help achieve its ambitions and support its three principles of anti-corruption, as described above. This has resulted in a number of concrete activities.

A central part of DCA's anti-corruption work is the Anti-corruption Policy. It includes six principles that promote non-corrupt behaviour and guidance on dealing with corruption, should it become necessary. The policy is aimed at both employees and partners.

DCA employees are responsible for following and abiding by the rules and regulations of national and international law. Furthermore, employees have to abide by the international conventions signed by the country, in which DCA operates. Moreover, DCA employees are obliged to follow the Code of Conduct and its related policies, such as the Anti-corruption policy. Employees who are contracted with DCA, sign the DCA Code of Conduct (CoC). This policy adheres to the CoC and thus equally apply to all employees. DCA also developed an Anti-Corruption course on FABO (DCA's e-learning platform) that is mandatory for all employees in DCA to complete within the first 3 months of employment. The purpose of this course is to train employees and raise awareness and prevent potential misconduct.

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

4. Scope

This anti-corruption policy applies to all DCA employees, volunteers, consultants, interns, national as well as international staff, and any other individuals representing the organisation, as well as DCA implementing partners who access funds from DCA.. DCA employees are obligated to follow this anti-corruption policy and any breaches of this policy shall be reported through the DanChurchAid complaints system (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: "A world without hunger, poverty or oppressed where political and popular powers work for just and sustainable use and distribution of resources".

According to Transparency International's Corruption Perception Index the countries that DCA operates in are among the countries most at risk to corruption in the world. DCA must secure that the funds do not end up in the wrong hands and are managed according to procedures and policies.

DCA is entrusted with funds from a variety of donors and works to secure they are spent correctly and transparently. DCA holds a great responsibility to avoid corruption and secure that the funds are spent correctly towards donors, partners and people supported by DCA.

DCA employees are responsible for upholding and promoting the highest standards of ethical and professional conduct. Working in different countries, in challenging set-ups, and with different languages, cultures and religions requires a high professionalism and integrity from employees. Knowledge and respect are some of the keywords that should be guiding DCA's work.

5. Procedures and requirements

The following is a listing of the principles in DCA's Anti-corruption policy:

1. Conflicts of interest
2. Abuse of power and extortion
3. Fraud and Embezzlement
4. Bribery and Facilitation Payment
5. Tipping off
6. Nepotism and favouritism
7. Gifts

1. Conflict of interest

DCA will avoid any unexpedient conflicts of interest - real or potential - between personal interest and the interest of DCA.

Avoiding conflicts of interest is the overall principle in fighting corruption. Conflict of interest arises from situations in which a DCA employee has a private interest that could influence 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. DCA employees are obliged to sign a *Declaration of Conflict of Interest*, in situations where potential areas of conflict of interest can be identified, and share with a manager.

If conflict of interest are not properly identified and managed, they can endanger the integrity of DCA and can result in corruption. Employees are, at all times, expected to show good judgement and when in doubt, contact their manager.

2. Abuse of power and extortion

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

This principle implies that employees should not use professional status for private gain. Misuse could be to gain advantages that the employee had not gained otherwise. Relations to suppliers must not be used to receive a contract or to gain reduced price on e.g . computers, cars, food, consultant support or travelling for private use. Moreover, managers cannot abuse their power to get personal favors 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 DCA, partner organisations or any other stakeholders.

Fraud is defined as economic crime involving deceit, trickery or false pretenses, 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 or knowledge to steal money and equipment from the office, or misusing funds entrusted to DCA.

Policies, manuals and guidelines shall 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 and Facilitation payment

DCA will not accept its staff engaging in 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.)

One example is that DCA does not receive bribes from potential partners to make contracts with them and does not give bribes to partners as a way of influencing. DCA bases cooperation with partner organisations on mutual ownership, accountability, participation, equality, harmonization and alignment (DCA Partnership Policy for International Co-operation).

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

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 DCA employee's daily duties and functions.

DCA strongly opposes facilitation payments, thus this type of payment should not be paid. DCA, 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 any breaches of the anti-corruption policy) be reported into the complaints system. This is done in order to ensure transparency and accountability, but also to learn from these examples so that DCA can avoid similar situations in the future. As such, DCA was part of founding the collective action initiative called FAFPI (Fight Against Facilitation Payment initiative) which was launched in 2018 and has initiated its work in 2019. It is a cross-sector initiative, between the private sector and International Non-Governmental Organisations (INGOs), and DCA has committed to its membership.

5. Tipping off

DCA will not accept that employees are tipping off persons who are suspected to breach the Anti-corruption policy.

Tipping-off means disclosing to any other person, information or any other matter, which is likely to prejudice an investigation¹.

At no time and under no circumstances should a DCA employee voice any suspicions to the person(s) whom he or she suspect of breaching the Anti-corruption policy, even if the complaints committee has given consent to a particular transaction proceeding; otherwise, the employee may commit a criminal offence of “*tipping off*” and may be prosecuted.

6. Nepotism and favouritism

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

Nepotism is favouritism towards relatives and friends, based upon the 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, DCA follows the DCA Procurement Manual in all procurement processes and the DCA Recruitment Policy in all recruitment processes. It is important to underline that if conflict of interest is communicated and handled, it can be acceptable to hire/work with family or friends (See also section 1. Conflict of Interest).

7. Gifts

DCA will not give or receive, directly or indirectly, any gift or other favour that may influence the exercise of DCA’s function, performance of duty or other ways of possibly harming DCA. 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 DCA 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 all gifts should be made available to all employees, for the sake of sharing.

Unacceptable gifts are defined as having a value above EUR 100 and substantial hospitality, such as accommodation and holidays are never acceptable. Staff shall not engage in corrupt practices. To further prevent corruption and misuse of finances and to safeguard the integrity of the process, it is required to have segregation of procurement and payment as per the organisation’s authorization schedule. Procurement and payment cannot be undertaken by the same person.

¹ This also includes DCA complaints committee, who is not obliged to inform the subject of concern before the investigation has confirmed breach of the Anti-corruption policy.

Reporting of potential misconduct and disciplinary procedures

Responding to suspected/alleged breaches Any substantial suspicion of breaches of this DCA Anti-Corruption policy can and should be reported to the DCA complaints system or the whistle blower scheme and will be handled according to procedures and processes for handling sensitive complaints.

All DCA staff act as entry-points to the DCA complaints system and are required to report any knowledge, concerns or substantial suspicions of misconduct to the DCA complaints system or the whistle blower scheme in DCA Head Office complaints system immediately and without investigation.

In cases of suspicion, hearing rumors or experiencing any doubts related to potential misconduct, staff can seek advice from the HR Unit or from the Accountability and Complaints advisor at DCA Head Office.

The DCA Complaints system

Complaints System- and Whistleblower Scheme

DCA has zero tolerance for fraud and corruption. DCA employees are obligated to follow the anti-corruption policy and report any suspicion, rumors or confirmed breaches of the Anti-corruption policy. All corruption incidents in DCA, partner organisations or other incidents related to DCA activities must be reported.

Whistleblower Scheme – is for reporting of sensitive complaints of all current DCA employees and former employees up till one year after termination of contract. A whistleblower report typically concerns matters of a serious nature, such as criminal offences, corruption, sexual exploitation, breaches of law, or serious violations of DCA's personnel policies.

Complaints System – is the system that external parties as people supported by DCA, partners, vendors, etc use when reporting sensitive and operational complaints. It is also used for reporting operational complaints for current and former DCA employees. An operational complaint is typically a complaint about the quality of DCA's work.

All reports are handled confidentially and all persons reporting to DCA will be protected against retaliation. For more information on DCA's Complaints System and the reporting channels, please visit [Complaint system - DanChurchAid](#) and refer to the [DCA's Whistleblower Scheme and Complaints System Policy](#) for a detailed explanation on their functioning.

Non-discrimination or Retaliation

DCA does not tolerate harassment, acts of retaliation or any other type of penalty against whistleblowers and complainants who submit a report in good faith about a matter within the scope of the whistleblower scheme and Complaints System. If DCA becomes familiar with the identity of the whistleblower (via consent or legal actions) DCA will ensure that whistleblowers are not met with retaliation.

Reports must be submitted in good faith on the correctness of the report. Whistleblowers and complainants who make a report in good faith will not be subject to negative consequences even if

the reported concern or suspicion proves to be unfounded. Employees of DCA who in good faith submit whistleblower reports of potential violations, will not risk discrimination or retaliation in the form of employment sanctions. This protection shall apply accordingly even if it is subsequently established that there was in fact no violation.

It is prohibited to deliberately submit false or misleading information via the Whistleblower Scheme and to make deliberate misuse of the Whistleblower Scheme. Reports submitted by DCA employees in bad faith will, depending on the circumstances, result in negative employment law consequences for the person submitting the report and can furthermore constitute a criminal offence.

Disciplinary measures

The complaints committee at DCA Head Office will handle the complaint according to DCA's investigation procedures, including decisions on actions and follow-up. Any upheld breach to this DCA policy will not be tolerated and may in accordance with relevant legislation lead to internal disciplinary action, including dismissal or even criminal prosecution.

6. References, Related Resources, or Appendices

- DCA's Code of Conduct
- DCA's Complaints Handling Guideline
- DCA's Whistleblower Scheme and Complaints System Policy
- DCA's Policy on Anti-Money Laundering and Counter Terrorist Financing

7. Policy Information

First approved: Approved by the DanChurchAid (DCA) Board, 2009 **Last revised:** March

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Policy Manager: Accountability and Complaints Advisor

Unit: Strategy and Quality Management Unit