

DANMISSION'S
ANTI-CORRUPTION
POLICY AND CODE
OF CONDUCT

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Danmission's anti-corruption policy and code of conduct

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DANMISSION'S **ANTI-CORRUPTION POLICY** AND **CODE OF CONDUCT**

Intro

Corruption is a major obstacle to democracy and the rule of law. It corrodes the social fabric of society and depletes the common good, democracy and the rule of law. Corruption harms the poorest and marginalized in their access to basic rights and services and is a destabilising factor in already fragile states and situations. We see close links between the Christian understanding of and obligation to stewardship and fighting corruption. Fighting corruption is defined in SDG 16 as one of the roads to more peaceful societies. It is Danmission's mission "*...To serve fellow man and society so that everyone can live a dignified life in peace, in a just society.*" This is why anti-corruption is an important instrument in obtaining our mission and we will do everything we can to fight corruption. We have a zero-tolerance of bribery in any form or shape. All acts of corruption go against Danmission's mission and core values. Danmission is legally bound to comply with anti-corruption and anti-bribery laws and regulations and does not accept any type of corruption.

If compared to the Transparency International's corruption perception index Danmission works in countries perceived as highly corrupt. These are also countries with high levels of poverty and/or instability. In Danmission we believe that we have an opportunity to meet the challenges of corruption, poverty and instability in our partnering countries and that is among other things why Danmission is present in these countries. Danmission is entrusted with funds from private donors, taxpayers, international and bilateral donors and we are committed to ensuring that our staff, volunteers and partners do everything possible not to engage in corruption and to expose corruption when it occurs. However, one principle is always above anti-corruption: *personal security*.

THE SAFETY OF LIFE AND LIMB
SHOULD NEVER BE COMPROMISED TO LIVE UP
TO THE STANDARDS IN THIS POLICY AND
CODE OF CONDUCT

The target group for this policy is Danmission staff, Danmission volunteers, Danmission interns, employees in partner organisations and external consultants connected to Danmission's work. As Danmission staff, volunteers, interns, external consultants connected to Danmission's work and partner organisations we are obliged to follow this policy and Code of Conduct.

- o Danmission staff, volunteers posted abroad by Danmission and interns have committed to comply by signing the anti-corruption policy and Code of Conduct,
- o Partners have committed to comply by accepting the partnership agreement, including additional legally binding documents on audit instructions, etc.
- o Danmission volunteers in Denmark are expected to adhere to the policy and Code of Conduct.
- o External consultants connected to Danmission's work are expected to adhere to the policy and Code of Conduct

The policies' purpose is to ensure, and support behavior and work ethics characterized by the highest standards of personal and organizational integrity, both internally in Danmission and externally among our many different partners in Denmark and abroad. Proven or substantial suspicion of breaches to this policy should be reported to Danmission immediately through the Danmission Complaints Mechanism (specified below).

Corruption

Danmission defines corruption as the misuse of entrusted power for personal (or organizational) gain. Corruption can have many forms. The most well-known might be fraud, embezzlement, extortion and bribery, but corruption also involves issues around conflicts of interest, nepotism, favouritism, large gifts or offers of hospitality.

Not all corruption is about exchange of money, it might as well involve exchange of favours or biased decision making.

Some are illegal and straight forward: fraud, embezzlement, extortion and bribery. Here there is a zero-tolerance policy. But issues around conflicts of interest, nepotism, favouritism, large gifts or offers of hospitality are more context-dependent and whether they become corruption depends on circumstances and how they are treated.

The following section outlines 6 types of corruption and includes some important pieces of advice on which steps to take when we meet them, or how to avoid them all together.

Complaints mechanism

If Danmission staff, volunteers, interns, external consultants connected to Danmission's work, employees in partner organisations, or communities have encountered corruption or have substantial suspicion about corruption shall report this to Danmission.

All complaints must be submitted through the global complaints handling system, which is managed at Danmission Headquarters where only two designated people have immediate access to the system. It is possible to file a complaint on behalf of someone. Investigation of the complaint will be coordinated by Danmission's complaints handler and a complaints committee.

The complaints mechanism has the following access-points:

- Complaints mechanism on the Danmission website www.danmission.dk
- Email: anticorruption@danmission.dk
- Relevant channels of communication for beneficiaries will be announced on the Danmission website and communicated to Danmission's beneficiaries

On basis of the complaint, it will be decided by the complaints handler whether an investigation committee will be set up and an investigation take place. The complaints handler will assess potential dangers and risks to all parties and incorporate ways to prevent injury or harm. The complaint will be handled confidentially and with great respect for the complainant and the persons/ organisations the complaint is pointing at. Only a very limited number of people will have access to and be able to disseminate information. Stakeholders must be able to lodge their concerns without fear of reprisals or unfair treatment why Danmission is committed to confidentiality around any case filed through the complaints mechanism.

No anonymous complaints are accepted. The complaint does not have to be sent by the person who is affected. A complaint can be made by anyone who is concerned that a staff member has breached Danmission's policies. All incidents of corruption shall be reported in the complaint mechanism. Cases where personal security was at risk shall as well be reported in the complaint mechanism.

The complaints mechanism is accessed through the Danmission website:
[https://english.danmission.dk/about/anticorruption/ \(English version\)](https://english.danmission.dk/about/anticorruption/)

Types of corruption and how to avoid them

Danmission distinguishes between 6 types of corruption:

1. Bribery and Facilitation Payment
2. Extortion
3. Fraud and Embezzlement
4. Conflicts of Interest
5. Gifts
6. Hospitality

Instances of real or suspected corruption do not always fall within one or the other but can be a mix or a hybrid. As an example, most types of corruption entail that someone has a conflict of interest which is not handled properly. Another example is gifts and hospitality, which if given with the wrong intentions, can become a bribe or a way to commit fraud.

Bribery & Facilitation Payment

Definition of bribery: Bribery is the giving and/or taking of offers, promises financial or other advantage to another individual in exchange for improperly performing a relevant function or activity.

In simple words it means the offering or taking of money, services or other valuables with the purpose of having someone perform or do something for you that is not in compliance with what they are expected to do in the position with which they are entrusted. This could be offering a sum of money or a gift to a public official to get a licence in return, which one was not entitled to. Bribery does not have to involve cash, or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a travel or tickets to an event.

Definition of facilitation payment: The definition of facilitation payment is not legally different from bribery but can be understood as a sub-category that has to do with offering or taking bribes to expedite or advance an administrative process of a routine nature. Routine nature is here defined as activities and actions that are a part of our staff's daily duties and functions.

This could be for example paying someone a small sum to speed up the process of issuing a visa or paying a police officer a small sum to "overlook" speed-driving. Facilitation payments are to be treated as any other form of corruption and should be reported as such immediately.

Code of Conduct: We will not tolerate, give or accept bribery and facilitation payment in any form.

Steps to take:

- Never accept or give bribes and never tolerate to see others doing it
- Confront the person soliciting bribes or facilitation payments with the information that bribery is illegal in all countries and a breach of Danmission's policy
- Say no to facilitation payments and question the legitimacy of any undue solicitation of payments, refer to Danmission policy and international law
- Report all incidences of real or suspected bribery and facilitation payment to your manager and/or Danmission's complaints handling system
- Avoid cash payments where possible and always get a receipt with signature on any purchase
- Minimize the situations where you are under time-pressure, as these make you vulnerable to demands for facilitation payments or bribes
- Know the local laws and have your licences and other papers in order – that will minimise your vulnerability to demands for undue payments

Extortion & security payments

Definition of extortion: Extortion is the practice of trying to obtain money, services, valuables or advantages by force or threats.

Code of Conduct: We will not seek to influence any person or institution for private purpose by using our official position or offering them personal advantages. We will not use any forms of extortion as a method to gain advantages.

Extortion could be a police-officer threatening to detain a person if he doesn't pay a fine, that he has committed nothing to rightfully deserve. But it could also be a person working for Danmission or on a Danmission supported project in a community, and threatening rights holders to give him/her something in exchange for staying in the project for example cash or sexual favours.

Extortion is the violent or threatening abuse of power by a person who is in a powerful position in relation to another. 0

If a payment is made to a person threatening you, it would be called a *security payment* (as opposed to facilitation payment or bribe), and you are not liable for prosecution under such circumstances.

Steps to take:

- As personal security always comes first, a payment should always be made if you find yourself under threat of life and limb
- Always report any incidences where you had to pay a security payment
- Whenever possible avoid situations that could make you vulnerable to extortion, such as breaking curfews and other security recommendations, traveling without the right papers, or working without license
- Never abuse your position or power to obtain something that is not rightfully yours, or which violates another person's rights. Be mindful of the power you hold in your profession and position
- Always report any real or suspected incidences of extortion by or against Danmission staff and partner organisations to the Danmission complaints mechanism

Fraud & Embezzlement

Definition of Fraud and Embezzlement: 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 and can include theft. Both Fraud and Embezzlement are illegal practices.

Code of Conduct: Fraud and embezzlement are illegal and must not be used as methods to gain personal or professional advantages or property in relation to Danmission, partner organisations or any other stakeholders.

Steps to take:

- Make sure clear rules and procedures for financial management and accounting are available and followed
- Make clear guidelines on the use of organisational resources and assets (i.e. cars, office utensils, guesthouses etc.) and monitor that they are followed
- Encourage an open dialogue around issues of doubt related to financial management and administration of funds
- Have a complaints system that allows for safe and confidential whistleblowing for staff and stakeholders
- Talk to your manager if you encounter fraud and embezzlement and report any real or substantial suspicion of fraud and embezzlement to Danmission.

Conflicts of Interest (including nepotism and favouritism)

Definition of conflicts of interest: A conflict of interest is the situation when a person experiences a clash between his/her professional- and self-interest, which potentially damages their professional judgement or priorities.

Conflicts of interests include issues of nepotism and favoritism when a personal relationship of friendship or kinship will potentially or in reality affect the professional decision by a person.

Code of Conduct: We will avoid any conflict – real or potential – between our personal interests and the interests of Danmission. When a conflict of interest arises, we will make it known and handle it in a way that ensures Danmission’s professional interest (mission, vision, goals and activities) and integrity.

It is not uncommon to experience real or potential conflicts of interest, and they are not necessarily leading to corruption at all. The fundamental issue is how we handle the conflicts of interest in question. For example, it does not necessarily lead to nepotism that a person with family ties to a staff-member is hired in the organization. Depending on how the hiring process was carried out, it can be either perfectly fine or not fine at all.

Steps to take:

- Always share your conflict of interest with your manager and if possible also with other relevant people
- Withdraw from any situation related to the conflict of interest and avoid affecting the decision-making process of others
- Seek advice from colleagues, managers or anti-corruption focal points if in doubt
- Act – take the relevant measures to make sure the conflict of interest does not damage Danmission’s institutional and organisational interests.
- If you experience situations that has led to nepotism or favouritism remember to report it as corruption

Gifts

Definition of gifts: Gifts are defined as, but not limited to, services, travel, material things or favors. It could also include offers of hospitality which is detailed below.

Code of Conduct: We will not give or receive, directly or indirectly, any gift or other favors that may influence the exercise of our function, performance of duty or other ways of possibly harming Danmission. In order to respect local traditions and conventional hospitality small gifts are accepted¹.

Steps to take:

- Generally, never give or accept cash as a gift
- Never receive gifts privately or at home, which relate to your professional life
- If you do receive gifts in your professional role, share them with your colleagues and be open about from whom and why you received them

¹ If the value limits for small gifts are not regulated by national law Danmission can set the value limit.

- Be transparent about the gifts you receive and give – what was the occasion and motive
- Consider the motive behind the gift – both when giving and receiving. Was there a good reason to give/receive a gift, or could the intention have been to affect professional decisions and judgement?
- Consult a colleague, your manager or the anti-corruption focal point if you are in doubt about the size or intention behind a gift
- If you suspect that a gift could in fact be an attempt of bribery, report it to your manager and/or Danmission

Hospitality

Definition of hospitality: Hospitality includes, but is not limited to, offers of meals, travels, accommodation and adventures. Offers of hospitality are a natural part of our relation to stakeholders and communities, and in most incidences, they do not have anything to do with corruption, but in a few incidences, they can be offered to affect a professional decision or judgement and be considered a type of bribe.

Code of Conduct: We will not participate in or invite to, directly or indirectly, overly sized hospitality that may influence the exercise of our function, performance of duty or other ways of possibly harming Danmission. In order to respect local traditions and conventional hospitality minor offers of hospitality are accepted.

Steps to take:

- Never exchange excessive or overly expensive offers of hospitality between people with a professional relation
- Say no to any invitation that you think is given with the intention of affecting your decisions. The important thing to be aware of is the intention behind the invitation, so use your personal integrity and judgement power to assess each situation
- Be transparent and accountable about the offers of hospitality you get or give
- There are many grey-zones when it comes to offers of hospitality, so consult a colleague, your manager or the anti-corruption focal point if you are in doubt about a situation or general rule
- If you suspect that an offer of hospitality in fact can be an attempt of bribery, report it to your manager and/or Danmission

Responsibilities

Responsibility of Danmission

Danmission is responsible for annual reporting and accounting for programme and pool grants received from institutional donors like the Ministry of Foreign Affairs, Danida. Hence Danmission is also obliged to inform donors about cases of well-founded suspicion and cases of proven corruption, possible misuse and mismanagement.

When informed by partner organisations about such cases, Danmission will first attempt, without delay, to verify the validity of the information received before informing the donor. However, the donor will subsequently be informed about the case, within a reasonable period of time after having received the information, and about actions to be taken to clarify or rectify the matter by the partner church or organisation and Danmission.

Danmission's report to the relevant donor will be based on information and reporting received from the partner (see below paragraphs) including Danmission's assessment of how the partner handles the matter.

Responsibility of Danmission partner organisations

Partners are expected to react immediately if they have reason to suspect cases of corruption, vis-à-vis fraud, misuse of funds and assets or serious irregularities or if suspicious activities are brought to their attention by employees, seconded development workers, advisors, beneficiaries or other members of the public.

If investigations show that such suspicions are well-founded, the partner is expected, without hesitation, to inform Danmission about the situation and the proposed intervention and measure to be taken by the partner.

In clear cases of corruption partners are expected, without delay, to inform Danmission about the case and steps already taken or planned to resolve the matter.

Responsibility of local and/or Danish auditors

If a local or Danish auditor becomes aware of any kind of any type of corruption, serious irregularities or significant breaches of the project or funding agreements with Danmission, it is the duty of the auditor to immediately notify the management and competent body of the partner or Danmission. The remarks of the local and/or the Danish auditors are to be submitted together with findings on the matter. Danmission is obliged to inform Danmission's auditor and the relevant donor about such matters.

Sanctions and consequences of breaches

Breaches to this policy and code of conduct can entail disciplinary action/legal measures/termination of contract/termination of partnership or a combination. An evaluation and decision on consequences will depend on:

- (a) The specific context of the case.
- (b) The level of corruption or misuse of funds and serious irregularities in question; and
- (c) The will, determination and result of efforts on behalf of partners involved to rectify evident misuse of funds and assets.

Seek advice

If in doubt about how to tackle a situation right or what to do about something you have observed, you can always seek advice with your manager, the Danmission Country Representative whom is Danmission's anti-corruption focal point or contact the complaints handler at Danmission headquarters.

Openness and transparency

Danmission will make all cases of corruption publicly available on our website. The overview describes the cases of corruption and fraud that Danmission has handled. Sensitive issues of personal character will never be published. Additionally, an overview of corruption cases within the financial year will be included in Danmission's annual report. 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.

Other relevant guidelines and procedures

- Accounting manual (includes procurement rules)
- Danmission agreement form
- Budget template guidelines
- Final reporting format
- Audit instructions
- The right to Complain and the duty to respond – Danmission's complaints handling guidelines
- Danmission administrative check list
- Project management procedures step by step
- Danmission risk assessment format



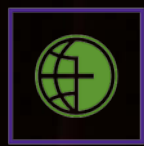
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DEVELOPMENT**

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