

CARE Norway Anti-Corruption Policy and standard procedures

CARE Norge

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1 Introduction

1.1 Introduction of CARE Norway

CARE Norway (CN) is a politically and religiously independent humanitarian foundation affiliated with CARE International (CI).

CARE Norway shall contribute to achieving the vision of CARE International:

“We seek a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security. CARE shall be a global force and partner of choice within a worldwide movement dedicated to ending poverty. We shall be known everywhere for our unshakeable commitment to the dignity of people.”

Furthermore, CARE Norway shall contribute towards this vision by particularly focusing on women. We seek to work with women because women’s rights are more frequently violated. CARE Norway shall support women fighting against poverty and promote women’s rights. CARE Norway’s work shall have a clear gender perspective, be sustainable and strongly anchored in local communities.

1.2 Corruption: its consequences, why it matters and purpose of this Policy

“Corruption threatens the rule of law, democracy and human rights, undermines good governance, fairness and social justice, distorts competition, hinders economic development and endangers the stability of democratic institutions and the moral foundations of society”¹ (Criminal Law Convention on Corruption Strasbourg, 27.I.1999, Council of Europe)

Corruption has harmful effects on employees, the organisation and the society. We must all work to avoid or prevent situations that may compromise our values, ethics and reputation.

CARE Norway strongly disapproves of all forms of corruption and has through this policy taken a zero-tolerance position towards it.

An international presence in regions where there are serious issues in control and regulations, make us particularly vulnerable against corrupt acts. Corruption diverts money away from development, economic growth and redistribution. Moreover, it increases the cost of service delivery and humanitarian aid, and it makes the work of civil society more challenging.

- Research over the past decade by Transparency International (TI), and others, has begun to shed light on the fact that individuals and families in many countries spend up to 25 % of their income on bribes, and if they do not pay are denied access to basic services.
- Research from TI shows that corruption undermines attempts by countries and citizens to tackle poverty and gender inequality. Sexual harassment, exploitation and the use of sex as a form of ‘payment’ in return for public services are some of the specifically ‘gendered’ forms of corruption.²

¹ <http://conventions.coe.int/Treaty/en/Treaties/Html/173.htm>

² http://www.transparency.org/whatwedo/pub/working_paper_02_2010_corruption_and_gender_in_service_delivery_the_unequal (Read 27.2.2013)

- Likewise, entire communities suffer when funds have been stolen and legitimate services are unavailable. For example, in developing countries, corruption raises the cost of connecting a household to a water network by as much as 30 %.

The aim and purpose of this policy is to protect CARE Norway and its partners from any impropriety by defining corruption, responsibilities, and to give clear guidance on how to act in relation to corruption. CN and CI hold high accountability standards and addressing corruption is an important part of that. All employees are responsible for reading this policy and other relevant documents such as ethical guidelines, CN labour standards, The CI Code, labour laws which apply for all employees nationally in Norway, and all relevant donor requirements.

CN will recommend any relevant CO and cooperating partners to adopt similar rules as CN and expect all employees to always work in the best interest of the organisation and its beneficiaries.

A copy of this policy must be read, approved and signed by all staff members

2 Definitions and limitations of this policy

2.1 Introduction

This chapter will define what CARE Norway (CN) perceives as corruption. There are also some limitations as to where this policy applies, from the national CN office to strategic partners in countries where CN have programmes.

CARE Norway is responsible and liable for the overall management, monitoring and evaluation of the projects/programmes, as well as for reporting to the donor.

2.2 Definitions

CARE Norway has adapted the Transparency International working definition of corruption which is as follows: "*Corruption is the abuse of entrusted power for private gain.*" As such, corruption is open for interpretation and can occur in many forms. It is therefore important to establish a shared understanding of what corrupted acts might be. Below are some examples of common concepts in relation to corruption:

Embezzlement: When a person holding office in an institution, organisation or company dishonestly and illegally appropriates, uses or traffics the funds and goods they have been entrusted with for personal enrichment or other activities.

Bribery: Bribery can take many forms. It may be a straight forward request for payment in cash; a request for a favour or in-kind; 'help' such as an unusually large gift, entertainment, hospitality or protection.

Fraud: The act of intentionally deceiving someone in order to gain an unfair or illegal advantage (financial, political or otherwise). Fraud covers both bribery and embezzlement.

Kick-backs: A kickback is a bribe, the 'return' of an undue favour or service rendered, an illegal secret payment made as a return for a favour.

Conflict of interest: May arise where an individual's personal, business or family interest and/or loyalties conflict with those of CN.

Nepotism: Favouritism shown to relatives or close friends by those with power or influence.

Sexual abuse/harassment: For example, where sexual acts are used as bribes or extortion.

Money laundering: Money laundering is the term used for a number of offences involving the proceeds of crime or terrorist funds. It includes possessing, or in any way dealing with, or concealing, the proceeds of any crime.

Extortion: The act of securing money, favours, etc. by intimidation or violence. Act of utilising one's access to a position of power or knowledge, either directly or indirectly, to demand unmerited cooperation or compensation as a result of coercive threats.

Maladministration: To administer or manage inefficiently or dishonestly.

Misuse of per diem and allowances: I.e. to claim per diems and allowances for more days than accounted for.

Gifts and entertainment: An offer of hospitality, or gift. Please ensure that everything with a value above 500 NOK, is cleared in advance with your closest superior / finance director.

Corruption includes both financial irregularities, and also non-financial forms such as the diversion of humanitarian assistance to benefit non target groups; the allocation of relief resources in exchange for sexual favours; preferential treatment for family members or friends in assistance or hiring processes; and the coercion and intimidation of staff or beneficiaries to ignore or participate in corruption. (*Preventing corruption in humanitarian operations, 2010:6*)

It should be noted that it is in fact a corrupt act not to report on suspicion of corruption, as well as not to act when receiving a report of suspicion or incident. Please see more in chapter four.

For clarification:

It is not accepted for you (or someone on your behalf) to:

- a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given,
- b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure,
- c) accept payment from a third party that you know or suspect is offered with the expectation that it will be obtained a business advantage for them,
- d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return,
- e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concern under this policy,
- f) engage in any activity that might lead to a breach of this policy.

It is accepted to receive a gift when:



- a) You have given a lecture / presentation to an external partner, or participated in an event such as a panel discussion etc.
- b) You have been visiting external partners
- c) But, the gift beyond the value of NOK 500 is the property of CN. All gifts of any kind shall be reported to CN.

The policy does not prohibit the following practises:

- a) Normal and appropriate hospitality
- b) The giving of a ceremonial gift at a festival or other special occasions

2.3 Limitations

This policy concerns the CN office and its staff as well as CN's relationship/partnership with COs in countries where we do programming.

CN works through country offices (CO) which are legally administrated by lead members of the CARE International confederation and not directly by CN. In this way they are our partners, who in their turn work in their local community through local partners. Rather than imposing our procedures on the CO, we share our policy with them, encourage mutual learning and facilitate support.

CNs zero tolerance against corruption applies to the COs and partners that CN work with.

The policy describes CNs requirements to COs to report on incidents and suspicions of corruption at the CO level (including partners, impact groups i.e) How the work against corruption is done practically on ground will be a matter for the COs themselves as they are most familiar with the local context. CN require a description on the measures taken by COs to avoid corrupted acts.

This policy provides a description of our values and assist our programme work through shared understanding of corruption, checklist for programming (monitoring and evaluation), and reporting procedures.

3 Prevention

3.1 CARE Norway

3.1.1 Clearly defined roles and responsibilities

The prevention, detection and reporting of any suspicion or incident is the responsibility of all employees in CN. All employees are obliged to follow all policies and guidelines established in CN, specially related to

- Recruitment of staff
- Authorization policy
- Travel policy
- CN labour standards

- CI Code

Any employee who identifies or suspects that an act of corruption has occurred should report according to the Whistle-blower policy, see chapter 5.

3.1.2 Awareness raising activities

Staff shall be trained to recognise and avoid corruption, and how to handle incidents and how to respond and report. The importance of openness and transparency will be highlighted in training and awareness raising activities. .

3.1.3 Risk analysing

CN is obliged to do risk analysing for all activities, including when entering into new agreement / cooperation with partners.

Risks in CN office: Employment, private donations, corporate cooperation, procurement, representations.

Useful sources/tools:

- TI 'Corruption Perceptions Index' <http://www.transparency.org/cpi2012/results>
- 'Mapping the risk of corruption in Humanitarian Action' (2006) TI, U4 HPG

3.2 CN/CO relationship

Communication between CO and CN is a very important aspect of the prevention of corruption in countries where CN do programming. COs and CN have mutual respect for one another and should have a relationship of trust in which nothing is kept a secret. CN highly values openness and transparency, and these values are being promoted in dialogue with COs.

CN will always consider the specific situation of a suspected corrupted act/case, and act accordingly and in such a way that is considered to be in the best interest for all. We acknowledge that when working in countries where (petty) corruption in certain ways is institutionalised the risk of facing such issues are high.

We will always keep in mind who the beneficiaries of our work are, and always act in their best interest.

The CI CODE describes the relationship between CARE member partner (CMP) and CO in cases of fraud (CI Code 05-1 D 4)

“The Lead Member (LM) and Country Director (CD) are responsible for ensuring that a whistle-blowing policy is established and functional at the CO level, and that reports are appropriately investigated and resolved. The LM/CO shall promptly advise the appropriate CMP of any alleged instances of fraud or misappropriation so that CMP may comply with any applicable donor requirements and laws and regulations. The parties will by mutual agreement decide the appropriate course of action. The LM/CO agrees to keep the CMP informed of the status of the investigation, and shall provide a copy of final reports to the applicable CMP. Any such reports will be kept strictly confidential as set forth in Section E (11) below, with only the knowledge and participation of appropriate staff with a need to know.”

The CO should always be informed of our policy and programming should include checklists. The checklist could be used as an evaluation of the CO. Feedback will be given if necessary after the answers have been evaluated.

3.2.1 Roles and responsibilities

The CO shall promptly inform CN of any alleged instances of fraud or misappropriation. The CO obliges to keep CN informed about the investigation, and shall provide a copy of final reports to CN. It is the responsibility of the lead member/CO to do a proper investigation, and to inform CN about the procedures for this.

CN has the responsibility of informing the donor according to the applicable donor regulations.

3.2.2 Individual Project Implementation Agreement (IPIA)

We will refer to this policy in the IPIAs which the CO signs to confirm that they are aware of their responsibility as well what is expected of them with regards to corruption prevention and reporting.

3.2.3 Risk analysing

For CNs part we will be aware of and analyse risk of corruption when working in countries that are high risk countries. Each CO has the responsibility to do risk analysing when entering into agreement with local partners. (Potential risks in COs: Use of donations, representations, misuse of Per diem, local partnership, etc.)

3.2.4 Monitoring

CN staff will include this policy when monitoring CN projects in COs. This will include the partner contracts, per diems policies etc. An attached checklist will be used for this purpose.

4 Reporting of incidents (and suspicion of incidents)

4.1 Obligation of all staff

The prevention, detection and reporting of any corrupted acts is the responsibility of all employees in CN. The management is also responsible for acting upon such reports. Not to report or act on suspicion or an incident of corruption is considered being a corrupted act in itself. To encourage reporting is an obligation of the management in COs and CN.

4.2 CARE Norway office

The purpose of this routine is to ensure that any unacceptable conditions in CN comes to light, so that appropriate measures can be implemented on the condition/s. To achieve this, CN wishes to facilitate that employees at all levels should be safe to warn about such matters internally, without negative consequences for the employee.

An employee has the right to warn of unacceptable circumstances of the business.

Such notification shall initially be internal. If the internal detection is not practical or it must be considered not appropriate, it will be possible with an external notification.

The method of notification must be prudent. This means that one must be in good faith in relation to the truth of what is to be notified. It is not allowed to go out with unfounded claims.

The choice of method of notification, the employee will have to assess the extent to which the notification can damage the business, individual or other.

Internal notification will basically always be prudent, unless it must be regarded as improper.

Notification in accordance with this policy will always be prudent

4.2.1 Reporting procedures internal

What is a subject of reporting?

All kind of controversial issues, such as;

- a) Offenses
- b) Breach of statutory obligations
- c) Violation of CAREs internal policies
- d) Breaches of ethical standards that have broad support in the community

The above list from a)-d) are intended as examples, and not as an exhaustive list.

To whom should you report?

- a) To the line manager
- b) Or/and to the HMS Representative and/or the workers' union.
- c) And/or to the line managers manager if
 - a. If the line manager is involved
 - b. If the line managers does not take any action

How should you report?

CN wants to encourage that the whistle blower declares who she/he is. This makes it easier to follow up an alert and keep the whistle-blower informed about what is being done in the case. If the whistle blower does not wish to come forward with her/his name it is still better that the incident is being notified anonymously than not notified at all to the persons mentioned above.

Notifications can be done:

- a) Written or oral
- b) By e-mail
- c) By SMS
- d) Through the HMS Representative and/or the workers' union

Template 'Incident report' is appended.

4.2.2 Whistle-blower protection

Identity of the whistle blower will always be anonymous to the public, and any report will be treated confidentially.

4.2.3 The responsibility of the management / receiver of notice

Line manager / HMS representative who receives notice of unacceptable conditions should provide feedback to the employee who has given notice of what is done with the relationship. There should also be given feedback in case management / HMS representative decides not to bring the matter further. The person who receives a notice of unacceptable conditions has a responsibility to ensure that this does not have negative consequences for the person who notified.

Where the employee gives notice orally the management / HMS representative has the responsibility for registration of the notice in writing.

Procedures to be followed:

- a) Establish an incident group in CN consistent of National Director (ND) and Finance Director (FD) if these are not directly involved. If the FD is not involved as the line manager, or directly, the FD will be a member of this group. If the ND is involved, the Chair of the Board will replace the ND in the following procedures and in the incident group.
- b) Agree on a plan with for the way forward for the incident
- c) Establish a communication plan with the donor
- d) Agree on the incident reporting for the annual reporting on CNs web site

4.3 Reporting of incidents or suspicion of incidents between CO and CN

4.3.1 Reporting procedures

What is a subject of reporting from CO?

- a) any alleged instances of fraud or misappropriation at the CO even if this isn't related to funds from CN

To whom should CO report?

- a) To the desk officer in CN
- b) Or/and the CN Financial Director
- c) Or/and the CN Programme Director
- d) Or/and the CN National Director

How should CO report?

- a) Template 'Incident report' is appended.
- b) By e-mail
- c) By phone

The responsibility of CN receiving the reports from CO

- e) Establish an incident group in CN consistent of ND, Programme Director (PD) and Finance Director (FD).
- f) Agree on a plan with the CO for the way forward for the incident
- g) Establish a communication plan versus the donor
- h) Agree on the incident reporting for the annual reporting on CNs web site

5 Disciplinary procedures

Acting on corruption and holding those responsible accountable is very important. To uphold an organization accountable, sanctions are crucial. But before acting, it is important to get the facts right. This should be done in a discrete way, not to put an innocent colleague in a bad position.

5.1 CARE Norway office

When an incident has been proved, the HR manager / eventually the National Director decide the following disciplinary procedures.

These factors have to be considered:

- The seriousness of the incident
- If it is a police matter
- Internal matters

Procedures that may be used:

- Written notice
- Final notice of dismissal
- Degradation
- Economical compensation

5.2 CN/CO relationship

When an incident has been proved, and CN has received the report from CO, the incident team at CN will decide depending of the donor(s) procedures for handling corrupted acts how the incident shall be disciplined.

CN will also communicate with LM and the Regional Unit. CN will work closely with the CI Secretariat on the reporting policy for cases like this, and will support sharing within the federation.

6 Attachments

- A. Incident report form
- B. Checklist for monitoring of anti-corruption measures at CO level
- C. External whistleblowing details
- D. List of acronyms

CARE Norway Anti-Corruption Policy and standard procedures (2013) Acknowledgement

I confirm that I have read and understood the policy, and agree to abide by its terms, which are part of the conditions of my employment/service with CARE Norway.

Date and place:

Name:

Signature:



Attachment A: Incident Report Form

Incident report form

	Name	Date aware	Signed
Reported by:			
Officer informed:			
Details of activity			
Country/location:			
Individual/ organisation involved:			

Reason for report

--

Action taken prior to this form being completed

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Names of all persons with whom this suspicion has been discussed

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Attachment B: Checklist for monitoring of anti-corruption measures at CO level

(to be used before start of program, and for monitoring visits)

Task	Status	Comment
CN Anti-Corruption Policy signed by whom at the CO		
CO Anti-Corruption Policy available?		
Has Risk Analysis for Corruption been conducted		
How are results from the Risk Analysis included in the program		
How are results from the Risk Analysis regarding partners included in the plans		
Does Partner Contracts include Anti-Corruption regulations		
Whistle blowing regulations established? If yes, how?		
Number and figures of recent incidents		
Is the reporting responsibility and procedures shared with relevant staff?		
How is CO working to raise awareness among staff		
How is CO working to raise awareness among partners		
How is CO working to raise awareness among impact groups		
Control mechanisms established, describe		
Any specific measures against misuse of per diem?		
How are findings from audits followed up		
Any additional information to share?		
Suggestions for improvement?		

Date and place (country, office)	Name and position of person interviewed	Name and position of person performing the interview

Attachment C: External Whistleblowing (MFA/Norad)³

Updated: November 2012

Should you suspect any illegal, unethical or other unacceptable circumstances that you wish to report, you should, as a general rule, contact your immediate superior or a more senior line manager.

You can also whistleblow indirectly through an employee representative, health and safety representative, colleague, lawyer or other adviser. If you are not employed in the foreign service, or if you are a foreign service employee but prefer to notify through a channel other than your line management, you can report incidents directly to the Foreign Service Control Unit in the Ministry of Foreign Affairs or to the foreign service's external reporting channel, Kluge Advokatfirma DA. Examples of unacceptable circumstances are financial irregularities, bullying, harassment, discrimination or racism.

The Foreign Service Control Unit

Online notification: Follow the instructions set out in Annex 4 of the Guidelines for handling suspicion of financial irregularities to send notification to s-kontrollenhet@mfa.no

Telephone:

Arne Sannes Bjørnstad +47 23 95 07 22

Betzy Ellingsen Tunold +47 23 95 11 67

Thomas Hauff +47 23 95 11 74

Kathrina Ramberg +47 23 95 11 73

Hans-Jakob Arnestad +47 23 95 11 76

Postal address: Sentral kontrollenhet, Utenriksdepartementet, Postbox 8114, NO-0032 Oslo.

Office address: Sentral kontrollenhet, Utenriksdepartementet, Kronprinsensgate 9, 0251 Oslo.

The Foreign Service Control Unit was established on 1 December 2007. It reports to the Secretary General and is administratively linked to the Human and Financial Resources Department. It deals with cases of suspected financial irregularities. Reports of unacceptable behaviour and other personnel matters are referred to the Human and Financial Resources Department. The Foreign Service Control Unit is the Ministry's point of contact with its external whistleblowing channel, which is managed by Kluge Advokatfirma DA.

³ <http://www.regjeringen.no/en/dep/ud/selected-topics/civil--rights/antikorrupsjon/whistleblowing.html?id=495009> (read: 31.05.2013)



Kluge Advokatfirma DA

Online notification: Click on the link and fill in the form, or follow the instructions set out in Annex 4 of the Guidelines for handling suspicion of financial irregularities to send notification to ud@alertus.no.

Telephone: +47 46 54 8479. This line is manned from 09:00 to 16:00 (Norwegian time) all working days. You may leave a message outside these hours.

Postal address: Kluge Advokatfirma DA, Postbox 1548 Vika, 0177 Oslo. Mark the envelope "Varsel".

Office address: Kluge Advokatfirma DA, Støperigata 1, 0250 Oslo.

This whistleblowing channel was established on 1 January 2012. Point of contact at Kluge Advokatfirma DA is associate partner Eva Jarbekk. Under the Ministry's agreement with Kluge Advokatfirma DA, the firm receives and undertakes a preliminary investigation of external notifications of suspected irregularities. Kluge Advokatfirma DA refers cases to the Foreign Service Control Unit.

Regardless of the channel you use, you can decide yourself whether you wish to remain anonymous or not. You can also be anonymous vis-à-vis the Ministry while allowing your identity to be known to Kluge Advokatfirma DA.

Last updated: 10.04.2013



Attachment D: Acronyms

CD – Country Director

CI – Care International

CMP – Care Member Office

CN – Care Norway

CO – Country Office

FD – Finance Director

IPIA – Individual Project Implementation Agreement

LM – Lead Member

ND – National Director

PD – Programme Director

TI – Transparency International