

EUROMED FEMINIST INITIATIVE (IFE-EFI)



Anti-Corruption Policy

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I. Definition and General Purpose

Corruption is a widespread, pervasive phenomenon. It is endemic, it affects all walks of life; and it damages the reputation, livelihood and wellbeing of all parties concerned. Corruption – as other types of business risks – needs to be combated and contained. Corruption cannot be simply defined due to its affinity to other relevant terms and concepts, notwithstanding that Transparency International, OECD and United Nations adopt somewhat different definitions of corruption. Yet all those definitions have common elements and the approach to combating this risk is similar.

On an annual basis, organizations – government and non-government – invest considerable resources to combat the risk of corruption and to ensure that good governance was undertaken and that the reporting to all stakeholders was conducted responsibly and openly. The key to good governance is adopting efficient and effective processes and procedures so as to ensure that the applicable policies are transparent.

The following terms are relevant to corruption; governance, transparency, monitoring and evaluation, risk assessment, communication, due-diligence, fraud, bribery, conflict of interest, nepotism, kick-backs and double funding. Annex A of this policy will clarify those terms so that there is a clear understanding of corruption which is a problem that could threaten the livelihood of an organization. Once the problem of corruption is clearly understood, eliminating it becomes easy.

Euromed Feminist Initiative IFE-EFI works for the implementation of the human rights of women and men as human and universal rights, and believes that achieving this goal is not compatible with corrupted practices. According to Kofi Annan, “corruption has a wide range of corrosive effects on societies”. Like democracy, corruption has an invisible gender. Studies show that when it comes to corruption, women are easier targets than men. They are subjected to corruption in daily as well as social, economic and political life. Consequences of corruption linked to gender include violence, human rights violations, poverty, prostitution, women and children trafficking etc. A corrupt judiciary system implements discriminatory laws against women. Women are more affected by corruption when it is aggravated by physical, sexual, economic and emotional violence. Women's access to information, justice, primary services (health, education, water, and shelter), financial resources, goods, employment and political life is problematic worldwide and requires promotion and special efforts.

Around the world, women regularly face higher levels of corruption than men do, especially in public sectors with a high percentage of women, such as health and education (UNIFEM, 2008:112). Women are subjected to corruption and they cannot fight its consequences, because they are excluded from decision-making mechanisms. Women's rights are universally violated by corruption, which weakens the struggle for gender equality. Whether on the social, political or economic level, women play an important role in fighting corruption. But including women in non-democratic structures of governance does not diminish corruption per sig. Reports from World Bank and UN show the correlation between democracy, gender equality and anti-corruption: "In other words, more women in politics are not the cause of low corruption, but rather, democratic and transparent politics is correlated with low corruption, and the two create an enabling environment for more women to participate in politics." (UNIFEM,2008:37).

An increasing lack of transparency and the weakening or absence of democracy engenders all types of corruption. An anti-corruption policy has to integrate a gender approach to be a powerful tool in this struggle.

IFE-EFI applies anticorruption perspective in all activities and exercised control. Transparency is one of the values and principles set forth in the networks ethical guidelines (<http://www.efi-ife.org/content/ethical-guidelines>) and IFE-EFI follows strict rules on implementation and control of all financial activities both internally and towards partners, adopting a preventive approach.

As this issue is significant and of prime importance for the organization, IFE-EFI has created this anti-corruption policy in order to sustain the awareness of staff and members on the risks of corruption. In the frame of the work towards building a globally just and gender equal society, IFE-EFI shall exert good governance to combat this problem that could negatively impact the implementation and achievement of IFE-EFI strategic goals and objectives.

The financial and the anti-corruption committees of the Board have in the ToR among others, the responsibility to increase and sustain awareness and knowledge throughout the organization about the risks of corruption in our work and to follow the anti-corruption policy.

II. Legal Framework, Web Links and References

The legal framework stated below governs this policy:

1. IFE-EFI Strategy/Programs
2. IFE-EFI Ethical Guidelines
3. Donors' Ethical Guidelines
4. Procurement Guidelines

Changes or modifications to this policy may not be incorporated or considered valid without having the approval of IFE-EFI Board or being compatible with partners or donors if applicable.

Changes or modifications to this policy need to be submitted through an official memo signed by IFE-EFI representative in the respective country/area of responsibility to the Financial Manager, the Chair of the anti-corruption committee in the Board and/or Co-President at IFE-EFI Headquarters (HQ) office in Paris, France.

The following web links and references are also useful tools that shed additional light on the issue of corruption:

www.transparency.org

web.worldbank.org

www.oecd.org

www.unodc.org

<http://bit.ly/2qw9Oa6> “ Qui est responsable envers les femmes?” LE PROGRÈS DES FEMMES À TRAVERS LE MONDE 2008/2009, Genre et redevabilité

Anti-Bribery Principles and Guidance for NGOs¹

http://issuu.com/prographics/docs/poww_2008

III. Corruption and its Relevant Terminology

There are several definitions of corruption; it could be defined as the dishonest or fraudulent conduct by individuals who are in power, and it typically involves bribery.

Transparency International²'s general definition of corruption goes as follows: “*The abuse of entrusted power for private gain.*” Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.

According to The Business Dictionary³, Corruption is “*the wrongdoing on the part of an authority or powerful party through means that are illegitimate, immoral, or incompatible.*”

Corruption may occur not just through an authoritative figure or a powerful individual; it might take place elsewhere whereby an individual at the lower level of the echelon may be involved.

Another conceptual term that is always associated with corruption is bribery without which, there would be one less foundation for corrupt and fraudulent behavior.

The following are also few definitions of bribery:

According to the legal dictionary⁴, bribery is defined as “*the offering, giving, receiving, or soliciting of something of value for the purpose of influencing the action of an official in the discharge of his or her public or legal duties...*”

When a bribe is offered to an individual, there is an expectation of a certain action in return which might entail jeopardizing and betraying the authority entrusted in that individual.

In addition to the moral repercussions, there may also be legal ones when this act becomes known to authorities – with damaging consequences for all.

Bribery is “*the act of taking or receiving something with the intention of influencing the recipient in some way favorable to the party providing the bribe. Bribery is typically considered illegal and can be punishable by jail time or stiff fines if it becomes known to authorities.*”⁵

¹ © June 2011 Co-authored by Bond for International Development, Mango and Transparency International UK.

Other relevant terms that need to be explained and defined are:

Governance⁶ is the processes and systems – usually undertaken by a government – as they relate to decisions that define expectations, grant power, or verify performance. The processes can be separate or part of other mechanisms.

² www.transparency.org/whoarewe

³ <http://www.businessdictionary.com/>

⁴ <http://legal-dictionary.thefreedictionary.com/bribery>

⁵ <http://www.businessdictionary.com/>

Transparency⁷ is the lack of hidden agendas and conditions, accompanied by the availability of full information required for collaboration, cooperation and collective decision making.

Monitoring and Evaluation⁸ refers to the processes of monitoring a program and evaluating the impact it has on the target population in order to assess the success and gaps in program implementation.

Risk Assessment⁹ is the identification, evaluation and estimation of the levels of risks involved in a situation, their comparison against benchmarks or standards, and determination of an acceptable level of risk.

Due-diligence¹⁰ is the duty assigned to an individual or a group of individuals by the organization to act in a prudent manner while evaluating possible risks associated with a given situation or a proposed course of action.

Fraud¹¹ is an act of deception, an intentional concealment of facts or perversion of the truth.

Bribery¹² is the act of taking or receiving something with the intention of influencing the recipient in some way favorable to the party providing the bribe.

Conflict of interest¹³ is a situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional or public interest.

Nepotism¹⁴ is the practice of appointing relatives and friends in one's organization to positions for which outsiders may be better qualified. Despite its negative connotations, nepotism may be – if applied sensibly – a positively important practice in the start-up years of a firm where complete trust and willingness to work hard are critical.

Kick-backs¹⁵ is the portion of monies or income demanded as a bribe by a person – usually an official – for facilitating the job or order from which the income is realized, at times, it is known as “facilitation fees”.

⁶ www.wikipedia.com

⁷ www.thebusinessdictionary.com

⁸ <http://www.mhealthalliance.org>

⁹ www.thebusinessdictionary.com

¹⁰ Ibid

¹¹ Ibid

¹² www.thebusinessdictionary.com

¹³ Ibid

¹⁴ Ibid

¹⁵ Ibid

Double funding¹⁶ occurs when the same costs for the same activity are funded twice through the use of public funds.

http://www.ieep.eu/assets/1143/Principles_of_Double_Funding.pdf

IV. Risk Assessment – A Good Governance Tool

Bribery takes many forms, it may be:

- 1- Cash payments or inducements (I.e. Facilitation fees, kick-backs)
- 2- Nepotism
- 3- Personal favors
- 4- Gifts
- 5- Anything may be construed as valuable (there may be blackmail involved)

Whatever the form of bribery, no organization should tolerate it and all should adopt robust policies that counter its damaging effect. This more than justifies the implementation of a risk assessment.

IFE-EFI realizes that the key to good governance is to conduct at regular intervals risk assessment of the organization's functional areas – a major key factor that assists in creating/re-creating anti-corruption policies that are practical, realistic, effective, and by being readily enforceable.

IFE-EFI field staff members, irrespective of their functional duties and responsibilities or their assignments, should undertake – annually – a one-day training course in anti-corruption policies. Understanding those policies by all staff members is an important step in countering this problem.

Also, assistance from external sources (I.e. Government legal/judicial systems, partners, auditors, legal advisors, even staff members and Board members who possess operational understanding of the processes) may be needed and solicited.

The term anti-corruption and anti-bribery shall be used interchangeably in this context. The following may be considered the most vulnerable areas and may usually pose a high risk:

¹ http://www.ieep.eu/assets/1143/Principles_of_Double_Funding.pdf

A- External risk factors; notably include:

- 1- Procurement: Suspicious, non-transparent processes and practices.
- 2- Cultural/business environment: Where paying/receiving bribes is the norm.
- 3- Bilateral relations with partners: Whether partners have governance/M&E systems/structures, involvements in whole or in part with organizations that are corrupt; this may also be an internal risk factor with an impact on the organization's reputation.
- 4- Payment mechanisms: contract payments through third parties, sub-contracts, shady payments, advance payments for work without proper contractual documentation, etc.
- 5- Conflict environment/situation: Where the risk of paying/receiving bribes increases (see chapter VI for more details).

B- Internal risk (organization) factors, notably include:

- 1- Applicable policies and procedures: Whether they are sufficient to address the risk of corruption and bribery.
- 2- Legal considerations (IFE-EFI and/or donor specific rules and regulations): implies actions undertaken in the field office that may be in contradiction with the applicable rules and regulations of IFE-EFI Headquarter office and/or the donor.
- 3- Reputation: Any scandal that involves bribery will have a negative and damaging impact on IFE-EFI.

IFE-EFI shall remain vigilant as regards the ever-changing nature of this risk and it will exert all possible efforts to ensure that the update of anti-corruption policies is commensurate with the dynamic change in this type of risk.

V. Combating Corruption – Policies and Procedures

In order to combat corruption, non-transparency and eventually bribery, IFE-EFI has put in place policies and procedures that can help detect and counteract those risks. These include:

- 1- Compliance with rules and regulations to make sure that IFE-EFI is an organization that maintains high ethical standards.
- 2- Maintaining high ethical standards and integrity, ensuring that the allocated funds are being used responsibly and appropriately.
- 3- Also, maintaining highly ethical standards and transparency in relation to partners, donors and stakeholders.
- 4- Detecting and minimizing bribery will help IFE-EFI implement its intended programs effectively within the allotted timeline and will assist in achieving their strategic objectives.

Implementation of the anti-corruption policies and procedures above has been endorsed by IFE-EFI Board. This implementation is coupled with IFE-EFI commitment of "no-tolerance" for any acts of corruption and bribery.

Procurement is a functional area in IFE-EFI which this policy addresses.

Code of Ethics (Procurement):

IFE-EFI is committed to fair and ethical business practices that promote – whenever possible – open, transparent and fair competition which serves its best interests and ensures maintaining successful relationships with potential procurement providers. The responsible for procurement, in turn, has the overall responsibility of ensuring that procurements are conducted in the most transparent, ethical and legal way and in accordance with IFE-EFI standards and specifications explained in details in the IFE-EFI procurement guidelines. Areas to be reminded in this aspect are:

- 1- Be aware that pricing and related information provided by vendor(s) during the competitive process has to be protected from unauthorized access and misuse. The procurement pricing and other critical information that vendor(s) submit during the competitive process are confidential and should remain this way.
- 2- Ensure that the information pertaining to one vendor is never – under any circumstance – shared with another vendor as there may be ethical, legal and professional considerations which may undermine the competitive procurement process and put IFE-EFI at risk as revealing the prices quotes may open the door to potential legal actions.
- 3- Ensure that personal purchases are **never** made with organizational funds: This include transactions for purchases and/or acquisitions of a *personal nature or what may appear to be of a personal nature* and for the personal convenience of the requestor. Every effort should be exerted to ensure that organizational funds are maintained in a specific container separate from personal funds. IFE- EFI Director is authorized to question the individual requisitioning the item(s) if it was deemed that this acquisition/purchase is inappropriate. The exception to this rule and the procedures to be followed will be discussed in Chapter VI.
- 4- Ensure that situations or activities which may cause a conflict of interest or the appearance of a conflict of interest as this may have the potential of undermining the impartiality of an individual due to the possibility of a clash between the individual’s personal interest(s) and IFE-EFI’s interest(s)¹⁷. The Procurement Officer’s position may not be utilized advantageously to influence outside organizations for the direct financial, personal or professional benefit to themselves or other persons such as family members and personal acquaintances. Accepting gifts and gratuities may lead to the existence of conflicts of interest in the first place, as the next point will illustrate.
- 5- Ensure never to solicit or accept gifts from a vendor and/or contractor or from a potential vendor and/or contractor in order to avoid a conflict of interest or the appearance of a conflict of interest. Gratuities or gifts of money to an employee cannot be accepted at any time. On the other hand, the following may be considered acceptable practices:
 - a- Ordinary business courtesies such as payments for modest meals are acceptable as long as IFE-EFI responsible has been informed in advance about the circumstances. On the other hand, the Procurement Officer – to the extent possible – should avoid similar invitations from the same vendor as tactfully as possible as this may be perceived as an attempt to influence organizational procurement decision making.
 - b- Gifts which are promotional items and which are distributed routinely by the vendor to all staff: those gifts are perceived to be office property and must be used within the office.
 - c- All gifts or “free” items received in conjunction with a purchase are also perceived to be office property; therefore, they must be used within the office.

Code of Ethics (General):

- 1- Member organizations should read this publication and IFE-EFI Ethical Guidelines adopt own anti-corruption policies.
- 2- Staff should read this publication, the IFE-EFI Ethical Guidelines and the Procurement Guidelines and familiarize themselves with it. Chapter III of this policy defines and explains the terms that are associated with corruption.
- 3- Staff should maintain privacy of all information accessed or obtained during the course of their work with IFE-EFI, they should refrain from sharing and discussing work-related specifics with “in-house” staff or individuals that are outside IFE-EFI.
- 4- Staff should never attempt to make public statements to the media or divulge IFE-EFI specific information without having the written approval of IFE-EFI authorized person/s first.
- 5- Staff should understand that partaking in the annual “one-day” refresher training on IFE-EFI anti-corruption/anti-bribery policies is mandatory. This will assist them in keeping up-to-date with the latest information on this issue to be able to effectively communicate it to partners, suppliers, contractors and other third parties.
- 6- Staff should avoid situations that may lead to a conflict of interest or the appearance of a conflict of interest. If a staff person is unsure about a specific course of action to be undertaken in a given situation, the issue needs to be communicated immediately to the attention of IFE-EFI responsible.
- 7- If members are offered gifts as a courtesy, they should report to the IFE-EFI responsible.

The IFE-EFI Executive Committee is responsible for the management and supervision of the overall anti-corruption policy and procedures. IFE-EFI Director may delegate part/all of this delegated authority to a staff member in order to:

1. Update the data contained in this policy on regular basis and disseminate as needed.
2. Conduct training to staff on anti-corruption policy, by providing real-life situations, identifying potential risks, the actions they need to undertake if they are offered bribes, and the consequences of accepting/not accepting bribes.
3. Ensure that HR practices comply with the eradication of bribery and corruption.
4. Put in place a mechanism to report corruption/bribery incidents when they take place (whether internally or externally).
5. Seek the opinions of internal auditors, legal counsel to ensure that internal controls are sufficient to counter the risk of corruption and that risk assessment outcomes have been analyzed and are taken into consideration.
6. Maintain a log of all incidents related to corruption/bribery that took place as this can and will be used in future risk assessments to readjust and improve internal control procedures.

VI. Partnership with other organizations and networks

IFE-EFI maintains an “on-the-ground” local presence and implements actions in close partnership with and support to local partner-organizations and networks. They may be strong advocacy SCO but they may be also small local groups or initiatives and they may exist in a complicated armed conflict environment.

Through such on the ground presence and locally employed competent staff IFE-EFI ensure that international support does not only reach those who speak English and have good proposal writers but activists with commitment to women's rights and social justice. Discussing the incorporation of anti-corruption policy in the implementation of their projects and actions is an essential tool to contribute to the creation of a culture of human rights and democracy.

IFE-EFI shall introduce the ethical, procurement and anti-corruption guidelines to partners when a common project has been initiated and refer to them throughout the cooperation.

- 1- Before committing into contractual agreements with partners, IFE-EFI will need to assess the risk involved and practice its due-diligence.
- 2- Agreements with project partners shall include clauses about IFE-EFI anti-corruption policies, every effort shall be made to ensure that partners also comply with those policies.
- 3- For the implementation of each project and each activity IFE-EFI shall develop risk assessment for the partner including risk of corruption.
- 4- In accordance with donors regulation, IFE-EFI keeps the rights to undertake action, and if necessary, a legal action against any person or persons whom there is good reason to suspect of corruption, or other irregularity.
- 5- Project partners shall follow the IFE-EFI financial and narrative guidelines and rules in their reporting.

¹⁶ http://www.ieep.eu/assets/1143/Principles_of_Double_Funding.pdf

¹⁷ Re-adapted from source: <http://www.businessdictionary.com/>

Annex A Special Scenario: Combating Corruption in a Conflict Situation

IFE-EFI works in countries where two sets of problems may occur concurrently; high level of corruption coupled with unsettling economic/political situation leading to armed conflicts (i.e. civil war, civil/political/military unrest and so on).

Although those situations erupt suddenly, there are usually signs that predict the occurrence of those situations before they happen. In such contexts, IFE-EFI plans its strategy with the least damages.

What can be done at this point is similar to “damage control.”

Below are some proposed actions that IFE-EFI will need to ensure to undertake before such a situation erupts:

- 1- Communicate with partner/donor through Headquarter office about the potential extraordinary emergency situation and the possibility of needing to apply changes in the activities schedule to meet new emerging needs.
- 2- Ensure that this way IFE-EFI is aware of the incidents taking place in-country and neighboring countries.
- 3- Continue keeping as close contacts with partners if any as possible and keep the IFE-EFI policy of complete confidentiality in order to protect the identity of the partners and thereby reduce the risk for them.
- 4- Use second case scenarios to support financially if funds cannot be brought in to partners due to border-crossing obstructions.
- 5- The embassy (EU, Swedish, France, other) guidance is adhered to in such situations, if any, try to arrange an agreement with them to ensure that the exiting of staff and items is done without resorting to facilitation payments.
- 6- Ensure that there is a safe-haven country to travel to.
- 7- There may be relief for IFE-EFI from the pecuniary responsibility that may arise out of that. Also, information will be sought as to the way this issue will be documented.