

3F's International Development Cooperation Anti-Corruption Policy

The following Anti-Corruption Policy regulates all 3F's international development cooperation. 3F International (hereafter 3FI) implements 3F's development cooperation work. This policy comes into force April 1st 2017.

Introduction

Corruption is defined as the misuse of entrusted power for private gain and it deepens inequality, undermines democracy, weakens the protection of human rights, including labour rights. The target groups of 3F's development cooperation - often poor, vulnerable and marginalised groups - are particularly harmed by corruption and it must be prevented and countered wherever it is met. This is most effectively done through preventive measures ensuring that programmes and activities conducted by 3F International and its partners have good governance.

Purpose

The purpose of this anti-corruption policy is to prevent all forms of corruption in connection with 3FI's activities and to promote sound behaviour characterised by high standards of personal and organisational integrity internally, among our partner organisations and other external stakeholders.

Target Group

There are two target groups of this policy:

- 1) 3FI employees in relation to the development programmes (hereafter "employees").
- 2) 3F's partner organisations outside Denmark, their employees and elected leaders

All employees and partners are obligated to familiarise themselves with the content of this policy, to follow the policy and report any breaches of the policy through the 3FI's Corruption Reporting Procedure (see below). Partners are encouraged to develop and adopt similar anti-corruption policies.

Anti-Corruption and due diligence

3FI and partners are entrusted with funds from different donors. They must be used transparently and in adherence with the rules of the donors. 3FI's employees and partners are responsible for upholding and promoting the highest standards of ethical and professional conduct.

3F's anti-corruption policy is based on due diligence starting by a *risk assessment* of 3F's engagement by country and partner. The financial administrative capacity is assessed including how likely and how severe the corruption risk is. The identified risks must be eliminated or reduced as much as possible. Controls and preventive measures will be applied as needed. In case of suspected corruption, 3FI will

immediately and effectively investigate and report the case, and if corruption has taken place it will be rectified if possible.

Anti-Corruption training is provided to all employees as part of their introduction. Guidance is provided in 3FI's Global Administrative Manual (GAM). It contains provisions on Annual Assessments of partner organisations that include requirements on internal controls and procedures in cases where there are suspicions of misuse of funds.

Preventing all forms of corruption

Corruption takes many forms. The most common examples are: *conflicts of interest, bribery, extortion, fraud and embezzlement, nepotism, favouritism and inappropriate gifts.*

3F's employees must base their behaviour on 3F's risk assessments and the guidelines and precautions adopted by 3FI. When in doubt, the employee shall contact his or her superior. It is the responsibility of all employees to inform partner organisations and other relevant stakeholders about this policy.

Employees must avoid any inappropriate **conflict of interest** – real or potential – between personal interest and the interest of 3F. Conflicts of interest are not necessarily corrupt, but if they are not properly identified and managed, they can result in corruption.

Employees will not give or accept **bribes** in any form. For instance, employees do not receive money from potential partners to make contracts with them and employees do not give bribes to partners as a way of influencing them.

Employees shall not seek to influence any person or institution for private purpose by using their official position or offering personal advantages, known as **extortion**. Likewise, employees will not use 3F property, facilities, services and financial resources for private purposes without prior permission. Their professional status and relations will never be used to gain personal advantages. Relations to suppliers must not be used to gain reduced price on goods and services for private use.

Fraud, embezzlement and forgery are illegal acts. These forms of corruption are sometimes applied by persons who intend to misuse funds entrusted to 3FI. Rules for accounting and documentation shall therefore be adhered to at all times.

3F employees are not allowed to engage in **favouritism** towards friends, family or other personal relations.

Small payments made to public or other officials in order to expedite or secure activities and actions of a routine nature are called **Facilitation Payments**. 3FI employees are not allowed to use facilitation payments. If partners use facilitation payment, they will be required to explain why and document that donor money has not been involved.

Employees may not receive, directly or indirectly, any **gift** or other favour that may influence the exercise of 3FI's function, performance of duty or other ways of possibly harming 3F. Gifts can be services, travel, entertainment, material things or favours. To respect local traditions and conventional hospitality minor gifts are accepted. Cash gifts are never accepted.

Preventing Corruption with partners

To strengthen the Anti-Corruption work of 3FI, several procedures are incorporated into the daily operations of 3FI. These include but are not limited to:

- An Anti-Corruption Clause is always included in the Cooperation Agreements with partners of 3FI.
- An Anti-Corruption Clause is included in contracts with main service providers
- An Anti-Corruption training is provided to all partner organisations in order to familiarise them with 3F's Anti-Corruption Policy

Partner organisations will be encouraged to avoid and prevent corruption e.g. by supporting the development of their financial administrative capacity in order to have transparent and sound financial management and downward accountability.

Corruption Reporting Procedure

All employees shall report suspicion of corrupt behaviour or corruption cases to their superior immediately and regional offices shall always inform 3FI Head Office. However, personal security should never be compromised. 3FI employees shall strive to protect individuals from related negative sanctions that could derive from reporting suspicions of corruption.

In cases of suspected corruption, and when it is justified, 3FI will initiate an investigation. In some cases, disciplinary actions or new routines may be imposed. A final decision is taken by management. Funding might be recalled, stopped or frozen during an investigation. In cases of suspicion of a criminal nature the matter shall be reported to the Police immediately.

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