

The Development Fund's

# Anti-corruption policy



**The Development Fund**

Fighting hunger and poverty

# 1. Introduction

The Development Fund is accountable for all funds received for the whole organisation. The Development Fund acknowledge that mismanagement and corrupt practices are common in the countries we operate. The anti-corruption policy is made to ensure responsible funds management in respect of all stakeholders, including donors, partners, employees and suppliers, with the aim to achieve best possible effects for the end-beneficiaries.

## **Corruption defined by The Development Fund**

- Corruption is defined by The Development Fund as all abuse of power, money or position for illegitimate personal or group benefits.
- This includes all forms of economic corruption, such as bribes, embezzlement, extortion, kickbacks and fraud.
- It also covers all forms of nepotism and illegitimate favouritism of groups or employees based on ethnicity, religion, gender, political affiliation or other identity.
- This list is not exhaustive and does not mean that something not listed here is allowed.

## **The Development Fund 's position on corruption**

- The Development Fund practices a zero-tolerance policy on corruption.
- The Development Fund are aware that corruption takes place in all societies. DF work actively to prevent corruption, and react with a clear position and concrete action when corruption is discovered.
- The Development Fund practice the principal "do no harm" ref. MEAL guideline

## **Who does this policy apply to?**

- All Development Fund 's employees must commit to this anti-corruption policy and are not allowed to be involved in any corrupt practices as defined in this policy. The Development Fund management has a responsibility to adhere to and promote this policy.
- The Development Fund select partners and suppliers that share and comply with this zero-tolerance policy and will promote discussion and understanding of this position with partners when necessary.

# 2. Development Fund measures to avoid corruption

## **Dissemination**

- The Development Fund will actively promote its anti-corruption policy and related documents to all employees, partners, donors and suppliers.

- The Development Fund will actively present and discuss this policy in relevant forums The Development Fund take part in.

#### **Formal commitment in writing**

- Every employee must commit to this anti-corruption policy by signing on it as part of the Code of Conduct, confirming that they have read and understood it. The signed declaration will be kept in the personnel folder of each staff member.
- The Development Fund partners are expected to have similar policies and must sign their policy in conjunction with the signing of the partner-agreement.

#### **Training**

- New employees of all The Development Fund offices will be given training in existing anti-corruption policies and practices during their inception phase
- Existing employees of all The Development Fund offices will be given refresher courses every two years.
- Partners are expected to offer such training to all employees. The Development Fund will provide partners capacity building in anti-corruption and training on a regular bases.

#### **Mainstreaming anti-corruption in management procedures**

- The Development Fund management must ensure the development of systems, structures practices and culture that promotes trust and eliminates corruption.
- Anti-corruption work will be mainstreamed in all management procedures.

### **3. The Development Fund warning channels and procedures**

#### **Who has a duty to report (to management, donors, partners)?**

- Employees or others representing The Development Fund are encouraged to react and report immediately at any possible corrupt practices by anyone involved in or with The Development Fund.
- This may be done anonymously.

#### **Where to report suspicion of corrupt practices?**

- Whistle-blowing reports by employees or Development Fund partners, in the first instance be channelled to one of the roles designated to deal with such matter, if these are not affected by the report:
  - Line-Management, CEO or Board

- Appointed staff representatives (anti-corruption focal point)
- The Development Fund will immediately report any indication of corruption towards The Development Fund partners as required to the Control Unit in Norad and MFA, or similar mechanisms with any other donor.

## 4. The Development Fund reaction in case of suspected or verified incompliance

### **Who may The Development Fund react towards?**

- The Development Fund has the duty to react on any indication of corruption “defined in chapter 1” by its own employees.
- The Development Fund has the duty to react on any indication of corruption “defined in chapter 1” by partners and suppliers.

### **Duty to investigate (and involve law enforcement authorities)**

- The Development Fund practices the principle of “Duty to investigate” whereby all reported cases or suspected cases of corruption will be duly investigated.
- We will draw upon relevant external competence and/or authorities to investigate such cases (s.a. auditors)
- The Development Fund will report to the national law enforcement authorities in all cases where breach of law is suspected.
- In the case of any indication of corruption under the responsibility of partners, The Development Fund has a duty of investigation and reporting to back donor without undue delay.

### **Duty to suspend (staff contract, partnership contract, supplier contract)**

- The Development Fund practices the principle of “duty to suspend”, whereby we will suspend any employee, partner or supplier from their role with The Development Fund, if any subject to investigation as described under Duty to investigate, until such investigation confirms corrupt practices or any irregularities.
- The Development Fund expect our partners to practice this principle, and The Development Fund will only react if such measures have not been taken within reasonable time from the case came to our knowledge.

### **Duty to sanction in case of verification**

In the cases where corrupt practices have been proven or comes to our knowledge, The Development Fund reserves the right to demand:

- Freeze of funds
- Repayment of misused funds
- Cancellation of contract with relevant partners
- Dismissal of The Development Fund staff involved in the case
- Report the case to relevant authorities

## 5. The Development Fund 's tools for compliance

The Development Fund has several documents and tools to support the anti-corruption work. The organisation is aiming to establish a comprehensive risk management system to support the anti-corruption policy.

### Internal documents:

Document name	Language	Comment
Development Fund anti-corruption policy	English	This document
Development Fund Guidelines on How to handle corruption	English	
Development Fund Guidelines for reporting	English	
Development Fund Code of Conduct	English	
Development Fund Ethical Guidelines	English	
Audit instructions from The Development Fund's auditor to local auditor	English	
The Development Fund Main Contract in partnerships	English	
The Development Fund Office handbook	English	
Procurement Guidelines, Norad	English	
General Conditions, Norad	English	
Håndtering av mistanke om økonomiske misligheter (Norad) (How to handle suspicion of economic misconduct)	Norwegian	It will be translated to English
Håndtering av varsler om trakassering hos Norads partnere (Norad) (How to handle whistle-blowers warning of harassment)	Norwegian	It will be translated to English
The Development Fund Annual Report	Norwegian & English	

**Main tools for The Development Fund anti-corruption work towards partners and**

**projects:**

<b>Document name</b>	<b>Language</b>	<b>Comment</b>
Project budgets and plans		Annual
Financial Reports		Quarterly
Annual local external audits		Annual
Development Fund audits of partner projects		Annual
Management letters		Annually and follow-up
Development Fund meetings with local partner and auditor		Annually
Development Fund anti-corruption dialogue with partner		Regularly
Development Fund Internal Control visits by partner		Annually
Mid-term reviews conducted by externals		Half way in projects
Institutional Assessment of partners		Every 4 years?
Development Fund's Anti-corruption training for employees and partners		See note 2 "training"