

ANTI-CORRUPTION GUIDELINES

Previous revision 2016-01-07, and new revision approved 2022-02-14

CONTENTS

Diakonia’s Anti-Corruption Guidelines.....	1
1. Background.....	1
2. Definition.....	2
3. Role of Civil society and Diakonia	3
4. Diakonia’s Anti-Corruption Work.....	4
5. Report suspected corruption in a safe way.....	5
List of supporting Handbooks and Defintions and/Or expressions of corruption	5
Supporting documents: Handbooks and Steering Documents.....	5
Definitions and Expressions of corruption	6

DIAKONIA'S ANTI-CORRUPTION GUIDELINES

These guidelines have been approved by Diakonia's Secretary General.

Diakonia conducts its operations in an honest and ethical manner. Diakonia takes a zero-tolerance approach to corruption and is committed to acting professionally and with integrity in all its activities and relationships.

The purpose of these guidelines is to describe how Diakonia addresses corruption and the importance of conducting anti-corruption work in an accountable manner. The target group for the guidelines is primarily staff members and representatives of Diakonia, but also Diakonia's partner organizations. The Anti-Corruption Guidelines are included in the partner agreements. It is essential that Diakonia's staff members and stakeholders understand the damages corruption causes on all levels in society and why it needs to be combatted. Dialogue and capacity building on anti-corruption are important, and these Guidelines should be a base for such activities.

1. BACKGROUND

Corruption is a global phenomenon with occurrence everywhere at all levels. No continent, no government and no society are free from corruption. Corruption is multidimensional and has many faces. Its nature, scale and complexity make it one major challenge that stands in the way of poverty reduction, inclusive growth, and sustainable development. Corruption erodes trust in societies, between people and to state institutions and corruptions must be combatted on all levels and by all relevant actors. Corruption also undermines people's faith in democracy as a governance model which seriously hampers efforts to strengthening democracy and give way to the rise of populists.

Reaching the Sustainable Developments Goals¹ set up by the United Nations will not be possible without combatting corruption in all its forms including Illicit Financial Flows (IFFs), which is a broader concept that includes corruption, tax dodging as well as other criminal cross border flows. This has a huge negative impact on societies' possibilities to mobilise public resources needed to invest in the fulfilment of people's rights and basic needs, including education and health. People living in poverty are those hit hardest when public revenues are lacking. SDG Goal 16 includes the commitments to substantially reduce corruption and bribery in all their forms, which also includes to significantly reduce IFFs. Increasing transparency and improving access to information and building strong institutions and accountability mechanisms are key elements in this regard.

Because of pre-existing gender inequalities and patriarchal structures and norms, corruption impacts differently on women, men and LGBTQI+ persons². Corruption keeps women out of political decision-making structures, prevents them from accessing services, markets, and credit;

¹ <https://sdgs.un.org/goals>

² Cis or cisgender describes a person whose gender identity is the same as their sex assigned at birth

and stops them from reporting violence and abuse to authorities. It also makes them targets for sexual abuse and harassment, trafficking, sexual exploitation, etc. In societies where LGBTI+ persons lack legal protection and / or live under social stigma, they are in a position of vulnerability to violence, blackmail and extortion by government officials, employers, business owners, etc. It is Diakonia's view that women and LGBTQI+ persons are not innately less corrupt than heterosexual cis³ men, but they are less often in the positions of power that allows them to exercise corrupt behaviour.

Corruption therefor needs to be approached politically as a question of power at different levels of society, from governmental institutions to organized rights holders.

A list of some, but not all, definitions of different expressions of corruption is included at the end of in this document.

2. DEFINITION

“Corruption is the abuse of entrusted power for improper and /or illegal private or group benefit.”

The way Diakonia defines corruption is founded in the five values that characterize Diakonia. They are solidarity, justice, courage, commitment, and accountability. These values, together with our guiding principles the Human Rights Based Approach and the Feminist Principles, are the base for all our operations including combatting corruption.

The definition acknowledges that many legal acts may be unethical or improper.

Even if an individual does not perceive an act as unethical or improper it is how it is perceived from an external perspective that is decisive. If an act is perceived as unethical or improper by others, it reflects negatively on the individual and can damage trust and confidence in Diakonia as an organization.

Examples of corruption that may be illegal and / or unethical or improper:

- Grant a contract for services or goods to a person with a private connection, regardless if there is a personal interest or not
- Falsifying a receipt and asking for compensation for the fictitious cost
- Favoring a relative in an appointment process
- Trying to kiss, hug and stroke someone in an unwelcomed way which makes the person feel uncomfortable, offended, harassed, or intimidated

³ Cisgender is an antonym of transgender

- Allocating resources to invented staff or rightsholders
- Funding the same activity by two different donors
- Unauthorized personal use of assets, e.g., a vehicle
- Evading, as well as, avoiding taxes
- Receiving gifts⁴ from anyone who has or is likely to do business with Diakonia.

To combat corruption Diakonia is committed to:

- Always prevent
- Never accept
- Always act
- Always inform

Diakonia always seek to prevent corruption in all our operations. When suspicions of irregularities of any kind arise, they must be investigated, and findings must be followed up and acted upon accordingly. Suspicions and outcomes of cases are reported to donors and relevant stakeholders, applying confidentiality.

3. ROLE OF CIVIL SOCIETY AND DIAKONIA

Civil society, including Diakonia, has a crucial role in anti-corruption work, acting as whistle-blowers and watch dogs but also lobbying for transparency and accountability. Supporting Civil Society actors in their efforts to hold e.g., duty bearers accountable is strategic in combatting corruption.

To prevent and combat corruption and to promote accountability and transparency, civil society actors also need to work internally to mitigate corruption. This includes building capacity, strengthening internal structures, and improving financial and programmatic performances. It also involves to actively question and change prevailing norms in society that underpin corruption.

Corruptive processes and actions will impair expected results of programs and projects and negatively affect rights holders aimed to be supported. In contexts of conflict and in humanitarian actions corruption is devastating to aid programs. This leads to lack of credibility and trust in organizations and their work, but most of all, it may lead to doing more harm than good in contexts where Diakonia and partners are committed to support positive change in society.

⁴ Diakonia's Code of Conduct, Section on Fraud, Corruption and Unethical business practices. Gifts refers to items as e.g., expensive presents, invitations to luxurious restaurants, discount offers etc. If a staff member is offered such "gifts" the staff member shall courteously decline or return such items and refer to Diakonia's Code of Conduct. Line director shall be informed. Staff members may accept gifts of nominal value and shall also report this to their line director.

4. DIAKONIA'S ANTI-CORRUPTION WORK

Diakonia's overall organizational goal is to change unfair structures that generate poverty and inequality, oppression, and violence. Fighting corruption is imperative if this shall be achieved. This is one reason why Diakonia has adjusted the theory of change to not only focus on oppressive and unjust structures as constraints for democracy but also on norms in society. This is expressed in Diakonia's Global Strategy:

"Diakonia's mission demands a high level of trust and accountability towards rights holders, partner organizations, donors and our founding churches. Diakonia is transparent, takes responsibility for the resources allocated to the organization, presents the results openly and welcomes complaints"⁵.

Diakonia has zero tolerance on corruption and a strong commitment to work on corruption prevention and anti-corruption work in operations and in engagement with rights holders, partners, and other stakeholders. Diakonia staff members and representatives as well as partner organizations are expected to follow these guidelines. Personal security and safety should however never be compromised to live up to these guidelines. Diakonia's management shall be informed immediately in such cases.

Accountability and transparency are promoted internally, in partner cooperation and in Diakonia's advocacy work. As an example, before starting a partnership Diakonia assesses a potential partner's internal control mechanism and may support capacity development to prevent corruption. During partnerships Diakonia requires audits and perform financial follow ups on all projects.

Sound internal controls and an environment that permits learning from mistakes are fundamental when combatting corruption. Diakonia is committed to an organizational culture of openness and transparency.

Some examples of internal work:

- All staff members receive training and capacity building on anti-corruption and preventive work (e.g., recurrent trainings on routines in handbooks and internal control systems) and the importance of reporting suspected corruption.
- Regular risk assessments are conducted, and necessary action plans are developed in all programs, including risk assessments for corruption. This is especially important in conflict contexts and in humanitarian setting.
- Dialogue with partners on the importance of being accountable civil society actors to gain legitimacy in their work on holding other stakeholders (mainly duty bearers) accountable.
- Support to programs and projects which include holding duty bearers to account.

⁵ Diakonia's Global Strategy, 2021 and onwards, page 7, Accountability

- Policy and advocacy work on relevant global issues including transparency to combat Illicit Financial Flows (IFFs), tax evasion and avoidance, as well as transparency and accountability in the corporate sector.

5. REPORT SUSPECTED CORRUPTION IN A SAFE WAY

A system for reporting of suspected violations of Diakonia's Accountability Framework, including the Anti-Corruption Guidelines, has been set up. The Complaint and Incident Response Mechanism (CIRM system) is open for reporting on all types of complaints but is a key element in management of suspected cases of corruption.

Confidentiality is key in management of cases. The Senior Management is responsible for investigation of cases, and information is only disclosed to a few assigned staff members. Diakonia accepts and strives to investigate anonymous reports but will not be able to respond or report outcomes to complaint. Backdonors are always informed should their funds be suspected of being subject to corruption

Reporting of suspected cases of corruption can be done in different ways:

- Partners, rightsholders or other stakeholders can report in local adopted channels in the country reports can be made directly to staff members, or on the Whistleblowing site found on Diakonia's web site
- Staff members shall report suspicions of corruption as soon as they arise using the template in Diakonia's intranet DiaConnect
- Anyone, including staff members, can report anonymously on the Whistleblowing site

LIST OF SUPPORTING HANDBOOKS AND DEFINITIONS AND/OR EXPRESSIONS OF CORRUPTION

Supporting documents: Handbooks and Steering Documents

This is a list of the most significant documents that define and guide Diakonia's anti-corruption work. Staff members are introduced to relevant documents and procedures for their respective positions during onboarding and trainings.

Accountability Framework A compiled documentation of Diakonia's commitments to all stakeholders and to which the organization must be held accountable.

Administrative Handbook Handbook for Diakonia's internal routines for internal control and administration. Includes e.g., Internal control systems, the Procurement Guidelines, and the Anti-Corruption Guidelines.

Child Safeguarding Policy	Diakonia's Policy regarding Child safeguarding sets out our internal facing, business critical policies, procedures, and practice that we employ to ensure that all our and partners operations are safe for children.
CIRM Guidelines and Policy	Diakonia's CIRM (Complaints and Incident Response Mechanism) Guidelines gives staff assistance on how to implement Diakonia's CIRM Policy. The CIRM Policy is approved by the Board of Directors and regulates the organizational commitments for handling of complaints and incidents.
Code of Conduct	Diakonia's Code of Conduct are the standards and rules that staff members and people representing the organization are expected to follow when performing their duties.
Gender Justice Policy	Diakonia's Global Gender Justice Policy serves as a common ground for strategic directions, describing Diakonia's position on and commitment to gender justice and to base Diakonia's work on a set of feminist principles.
PMEL Handbook	Handbook for Diakonia's programmatic work: Planning, Monitoring, Evaluation and Learnings. Includes e.g., guidelines and templates for the monitoring work of partner organizations' work.
PSHEA Policy	Prevention and Protection from Sexual Harassment, Exploitation and Abuse Policy explains Diakonia's commitment to reducing the risk of sexual harassment, exploitation, and abuse through effective prevention; ensuring that survivors are not exposed to further harm by ensuring safe reporting and responses; and ensuring that survivors receive appropriate support.

Definitions and Expressions of corruption

This is a list of some, but not all, definitions and expressions used in relation to corruption. Some of them refers to illegal actions and some are not illegal but may be improper or unethical. Some just explains words used in this document.

Accountability	The obligation of an individual or organization to accept responsibility for and disclose in a transparent manner their activities, including decision-making, money, or other commitments
Bribery	The offer or exchange of money, services, or other valuables to influence the judgement or conduct of a person in a position of entrusted power.

Capital Flight	The movement of large sums of money out of a country. Illegal capital flight often concerns money earned through criminal activity, and the intention is that the money disappears from any record in the country of origin.
Child Safeguarding	Child safeguarding is the set of internal facing, business critical policies, procedures, and practice that we employ to ensure that our organization itself and our operations are safe for children.
Conflict of Interest	A conflict of interest occurs when an individual's personal interests – family, friendships, financial, political, or social factors – could compromise his or her judgment, decisions, or actions in the workplace. For a conflict of interest to exist, it is not necessary that an individual is biased, but just that the situation from an external perspective there is a reason to suspect a conflict of interest.
Cronyism	The favorable treatment of friends and acquaintances in distribution of resources and positions. The concept is related to Nepotism and Favoritism.
Embezzlement	The misappropriation of property or funds entrusted to someone in their duty. It may involve the taking of supplies, equipment but also the misappropriation of funds.
Extortion	Obtaining something (money, favors, goods) using threats or force. For example, extortion takes place when armed guards require money for passage through a roadblock. Withholding life-saving medical attention unless a bribe is paid could also be considered extortion. See also Sextortion.
Fraud	An economic crime involving deceit, deception, or false pretenses by which someone gains unlawfully. Fraud often involves corrupt acts, in particular embezzlement, where the use to falsify records to hide stolen resources could be used.
Favoritism	The practice of giving unfair preferential treatment to one person or group at the expense of another. See Nepotism and Cronyism.
Illicit Financial Flows (IFFs)	IFFs involve the movement of money and assets across borders that are illegal in their source, transfer, or use. These activities include corruption, criminal activities, and efforts to hide wealth from tax authorities.
Kickback	A bribe that is paid afterwards for an undue favor or service. For example, someone responsible for awarding a contract receives one

or several payoffs for the duration of the contract. This can also be called fraudulent commissions.

Misappropriation of funds	This is an act of intentional, illegal, or unauthorized use of property or funds by someone who is entrusted to take care of or protect it in their duty. See embezzlement.
Money Laundering	Any act or attempted to disguise the source of money or assets from criminal activity. Money laundering is often used to hide profits of corruption and is practices e.g., by drug traffickers, human traffickers, and white-collar criminals.
Nepotism	A form of favoritism involving family relationships, in which someone exploits his or her authority to obtain jobs or other favors for relatives. If extended to friends or another associate, it is then referred to as Cronyism.
Sextortion	The abuse of power to obtain a sexual benefit or advantage, for instance demand sexual services from someone in exchange for an employment contract. This concept is related to Extortion.
Sexual Harassment	Sexual harassment is any unwelcome conduct of a sexual nature which makes a person feel offended, humiliated and/or intimidated.
PSHEA	PSHEA (Protection from Sexual Harassment, Exploitation and Abuse) refers to measures taken to protect people from such actions by staff members and / or associated personnel.
Tax evasion/avoidance	Tax evasion is the illegal practice of non-payment or underpayment of taxes, while tax avoidance is within the letter of, but against the spirit of the law.
Transparency	This is the quality of being open, communicative, and accountable. It implies a duty to act visibly and understandably. Transparency can lead to improved resource allocation, enhanced effectivity, and better prospects for economic growth.
Whistleblower	Whistleblowers are people who inform the public or authorities/organizations about corrupt transactions and / or other unlawful or improper behavior they have witnessed or uncovered. They often require protection.
Zero tolerance	A commitment to fully investigate and sanction all instances of corruption, no matter how minor or the time elapsed.