

CARITAS DENMARK

ANTI-CORRUPTION POLICY

Caritas wants to send a clear signal, both internally and externally, that there is zero tolerance of corruption. Caritas works in strategic partnership with the Ministry of Foreign Affairs and actively supports Danida's plan to combat corruption in the Danish aid management.

Corruption in all its forms is in its essence unethical and contrary to fundamental principles of Caritas's values. It is an unworthy relationship that violates others' legitimate rights and prevents the realization of the common good, e.g. in the form of legal rights. The management of entrusted resources must be done in honesty.

At the same time, all forms of corruption works against all that Caritas wants to promote: Empowering the poor and marginalized people, giving them desire, ability, and opportunity to break out of poverty and achieve a better life by their own means. Corruption affects the poor more than the rich, and is incompatible with the concepts of justice, democracy, good governance and sound and sustainable economic development.

Caritas works in countries that often have weak structures and are characterized by corruption to a greater or lesser degree. The solution is not to withdraw, but to strengthen local forces working to eliminate corruption and bring development. Corruption is one of several risks, and therefore we have a clear position on abuse and a clear and consistent way to counter it.

In line with the international declarations from Paris, Accra and Busan for effective development assistance Caritas is a supporter of openness about corruption and irregularities.

The policy for the prevention of corruption should also be considered in conjunction with the Code of Ethics for Caritas Denmark and Caritas Internationalis.

WHO IS COVERED BY ANTI-CORRUPTION POLICY?

The policy is aimed directly at the staff and volunteers of Caritas, and others who in various ways represent the organization. It is further directed at employees of the partner organizations which Caritas works with. It is Caritas's responsibility, together with partner organization's management, to ensure that they are well informed about the principles.

All those who in the following are collectively referred to as *Caritas's employees* are required to act in accordance with policy. The principles are to be enforced to the extent that it can be done without neglecting personal safety, and any violation of the principles is to be reported, investigated and sanctioned against.

WHAT IS CORRUPTION?

Caritas Denmark supports Transparency International's definition of corruption as the abuse of entrusted power for private gain, which meet the definition of Danish criminal law and international conventions. Specifically, the concept covers bribery, kickbacks, embezzlement, fraud, extortion and nepotism or equivalent.

Corruption covers both acceptance as well as payments of bribes and other forms of active or passive corrupt behavior. In the classical understanding corruption typically involves money in the form of undue

requirements or offers of payment to obtain a special service or benefit, but can also take other forms such as privileged access to a job or the like.

In Caritas, the corruption concept is understood in the broader sense, including other forms of deliberate misuse of entrusted funds - contrary to the agreement.

This policy is aimed at all forms of deliberate abuse, whether it occurs in Denmark or in the project country, and whether the particular form is specifically mentioned in the description or not.

The following 7 points describe some typical forms of corruption and can thus contribute to increased awareness of:

- **Conflicts of interest** arise in situations where a person has a private interest that could potentially affect or appear to influence the impartial and objective performance of his or her official duties. Private interests include benefits for oneself or one's family, relatives, friends and persons or organizations to which they have or have had business or political affiliation.
- **Bribery** is the offering, giving (active bribery), receiving, soliciting or accepting (passive corruption) something of value for the purpose of influencing an official's actions in the performance of his or her public and statutory tasks.
- **Extortion** occurs when someone illegally demands or receives money or property through the use of intimidation. Extortion can include threats of physical or material damage, threats to accuse someone of a crime or threats to reveal embarrassing information.
- **Fraud** is the use of deception in order to gain an advantage (financial or other advantage) to avoid an obligation or to be responsible for someone else's loss. This involves being deliberately dishonest, misleading or deceitful, rigging or acting under false pretense.
- **Embezzlement** is the misappropriation or misuse of property or funds legally entrusted to a person by virtue of his or her position.
- **Corruption in connection with gifts** covers cases where a gift or other financial benefit being offered, given, requested or received, with the expectation to get a favour in return. Gifts and hospitality may in itself be an expression of corrupt behavior. It can be used as a means of promoting corruption, or it may be perceived by others as corruption. Gifts include cash or assets given as gifts or political or charitable donations. Hospitality may include meals, hotel nights, flights, entertainment or sporting events.
- **Nepotism** is favouritism of family or friends without regard to their skills. Family and friends are treated favourably because of the close personal relationships rather than a professional and objective assessment of their skills and attributes.

PRINCIPLES FOR ANTI-CORRUPTION

The following four principles are essential for Caritas employees' efforts against corruption:

1. Caritas's employees must maintain personal integrity, also in their daily work, to avoid relationships and situations where they in any way could be suspected of corruption. The employees are identified with Caritas and Danish foreign aid, which is to maintain the highest standards, also as an example for others.
2. Caritas employees must internally in the organizations they work in or cooperate with, work to prevent corruption as much as possible by ensuring clear rules and transparency in administration and continuously be aware of the risk of corruption and irregularities in the daily work.

3. Caritas employees should externally work to promote zero tolerance and eradicate corruption. This perspective must always be judged in a local context and be incorporated in planning and implementation of all activities.

4. Caritas's management has a special obligation to promote anti-corruption at all levels and consistently sanction against cases of corruption and irregularities. It is not acceptable to ignore a colleague or someone else's misuse of funds, and managers must always protect people who in good faith report suspicion of corruption.

REPORTING

The policy is publicly available on the Caritas website so that other stakeholders - not least private contributors, donors and the beneficiaries - know these important principles. There should be no doubt that Caritas does its utmost to work against corruption and ensure that the donated money is used properly.

Complaints about violations of Caritas's anti-corruption policy is done via the Caritas website. "Policy for handling complaints" describes this complaints mechanism and is available on the website.

FOLLOW-UP

Caritas Denmark's Head of Administration is responsible for the anti-corruption policy, including ongoing monitoring and review as needed.