

# Anti-Corruption Policy



Responsible	Caritas Denmark's Accountability Coordinator
Version	Version 5
Approved by – Date of approval meeting	Approved by Board May 2025
Audience	All
Communicated to audience	presentation during staff meeting
Next review due	Latest May 20230

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## Introduction

Caritas Denmark (hereafter C-DK) wants to send a clear signal, both internally and externally, that there is zero-tolerance for corruption. C-DK works in strategic partnership with the Danish Ministry of Foreign Affairs and actively supports its plan to combat corruption in the Danish aid management.

C-DK adopts the same position as the Danish Ministry of Foreign Affairs on corruption<sup>1</sup>: “No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practise, shall be made - neither directly nor indirectly - as an inducement or reward in relation to tendering, award of the contract, or execution of the contract.”

Corruption in all its forms is in its essence unethical and contrary to fundamental principles of C-DK'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 work against all that C-DK 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.

C-DK 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 C-DK 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 as it applies to the entire Caritas Confederation.

## Who is covered by anti-corruption policy?

The policy is aimed directly at the staff and associates<sup>2</sup> of C-DK, who in various ways represent the organization. It is further directed at employees of the partner organizations which C-DK works with. It is C-DK'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 *C-DK'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.

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<sup>1</sup> Danish MFA's retningslinjer, 2022-2025

<sup>2</sup> Volunteers, Board Members, private sector partners, consultants

Corruption covers both acceptance as well as payments of bribes and other forms of active or passive corrupt behaviour. 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 C-DK, the corruption concept includes 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 countries, and whether the particular form is specifically mentioned in the description or not.

The following 7 points describe some typical risks of corruption one has to be aware 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 pretence.
- **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 behaviour. 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 C-DK employees' efforts against corruption and how to deal with the risks listed above:

1. C-DK 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.

2. C-DK 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. C-DK 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. C-DK'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 C-DKs does its utmost to work against corruption and ensure that the donated money is used properly.

### How to report?

- **By email:** [complaint@caritas.dk](mailto:complaint@caritas.dk)
- **Call/sms/WhatsApp Caritas Denmark's Complaint Committee secretary:** +45 31322786
- **Contact any employee** through mail, phone or personal encounter during monitoring visits or by meeting at the CDK's Secretariat.
- **Finally, we have a channel through our website:** [www.caritas.dk](http://www.caritas.dk)

- Clear reporting procedures are in place through the *C-DK Feedback & Complaint Handling Policy and Procedures* and communicated to C-DK personnel for informed action when confronted with corruption related concerns.
- All reports will be treated seriously, with confidentiality and sensitivity. The subject of complaint and all witnesses must cooperate fully and openly with investigations and hearing. Their confidentiality will be protected.
- Any staff that raises concerns of serious malpractice ("whistle-blower") will be protected as far as possible from victimization or any other detrimental treatment if they come forward with serious concerns, provided that concerns are raised in good faith. Deliberate false allegations are a serious disciplinary offense and will be investigated.
- When receiving a complaint, the Caritas Denmark Complaint Committee convenes as soon as possible to classify the complaint. In case of the absence of a member, communication can be by email, phone or videoconference. The members present can decide to prepare a proposal for handling of the case to the absent member for his/her approval.
- When a complaint related to the implementation of the MFA grant has been classified as Fraud (suspicion of irregularities or other misuse of Danish funds, including suspicion of grossly negligent administration, corruption, bribery or fraud), C-DK has an obligation to report to the Danish MFA<sup>3</sup> (using the dedicated Annex 6 template). C-DK has a maximum of 14 days to report any irregularities or suspicion of irregularities to the MFA.

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<sup>3</sup> Danish MFA's Administrative Guidelines, 2022-2025

- In case of disqualification of a member of the complaints committee in relation to a specific complaint, the committee can decide: to process the complaint without participation of the disqualified member, to call upon a third person as ad hoc member, or to submit the complaint to the Board. In all cases of disqualification, the Board Chairman will be notified. The Board of Caritas Denmark will always process complaints concerning the Secretary General. Complaints against the Board of Caritas Denmark or individual Board Members will be processed by the Board of Caritas Norway.

## Consequences and Follow-up

- A prompt and appropriate response will ensure that the situation is not perpetuated and that all individuals involved are clear on issues and actions to be taken.
- Allegations against a staff member will result in suspension of their employment immediately and subject to investigation of the issue. If the allegation is of criminal character, this will be reported to the relevant Danish authorities, as required by the Danish law and jurisdictional system.
- Appropriate disciplinary and legal measures will be taken in the event that the concern is found to be true. Internal investigations related to allegations of criminal behaviour will be discussed with the appropriated formal authorities prior to embarking on this course of action to ensure that C-DK doesn't compromise the formal investigation. Serious concerns will be reported to the authorities as required by law.
- If the concern is found to be without base, appropriate steps will be taken to minimize damage to the reputation of the subject of concern.
- If the offending person is an employee of a partner organisation which is not supporting termination of the employment of an offender, the continuation of the partnership must be considered.
- False accusations against an individual or organisation can have severe implications for those involved. If the complainant is a staff member of Caritas Denmark, the management will decide an appropriate reprimand towards the complainant and assess the need for compensation to the falsely accused individual or organisation. In case the complainant is a staff member of a partner organisation, Caritas Denmark will recommend the partner organisation to take similar action.