



LIGHT
FOR THE WORLD



POLICY

Transparency
& Anti-Corruption

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Executive Summary

Corruption is defined as “the abuse of entrusted power for private gain”. It is best known as bribery, fraud and theft, conflict of interest, embezzlement and extortion/blackmail, gifts, nepotism and favouritism. It is important to realise that corruption has many faces and does not exclusively take the form of money. To provide a person with a job, services or other favours can also be a form of corruption. It threatens effective programmatic work, good governance, sustainable development, democratic processes and fair business.

Light for the World reaffirms the following policy, that no kind of corruption whatsoever will be concealed, accepted, negated or understated. This policy:

- ▶ provides guidance for utmost transparency, and
- ▶ sets the appropriate course of action when dealing with the different forms of corruption.

The policy covers both corruption within Light for the World’s own structures and relationships as well as within project partners it supports.

Key elements include:

- ▶ Principles and measures to prevent corruption
- ▶ Procedures in cases of suspected corruption
- ▶ Internal documentation and external information

It is paramount that Light for the World does everything to prevent corruption from the outset. However, in the event of suspected corruption or corrupt behaviour, Light for the World will ensure that prompt, clear and transparent measures are in place to investigate the situation thoroughly.

The key approaches that Light for the World uses to prevent corruption in its own structures are to raise awareness, to offer training, to create an open atmosphere for individuals to be able to raise complaints and to support internal learning and further enhancement of internal control systems (ICS). To support our partners, Light for the World has put in place a number of measures to prevent corruption, such as assessment tools or an initial reference check. Light for the World is committed to being transparent about suspected corruption and will publish an external anonymised report every two years with an overview on complaints, corruption cases and the way that they were handled. This should contribute to cross-organisational learning and help to overcome taboos in corruption.

1 Transparency International, http://www.transparency.org/news_room/fag/corruption_faq



The Policy

Scope

The Transparency and Anti-Corruption Policy entered into force on 1 January 2014 and was reviewed in 2019. The policy will be reviewed every three years. It shall be valid for Light for the World International and for all of its members.

Associate members may in addition adopt their own policy on transparency and anti-corruption providing it meets the standards stated in this policy. In either case, associate members operationalise the policy independently and are therefore accountable to meeting these standards in their implementation.

This Transparency and Anti-Corruption Policy is binding for:

- all employees (whether temporary, fixed-term or permanent) of Light for the World including employees in local offices;
- all consultants, contractors, trainees, interns, voluntary staff, seconded staff or other persons connected to Light for the World;
- all officers, trustees, Board members and members of Light for the World at any level.

Each of them is requested to be vigilant for any signs of misconduct within the structures of and around Light for the World.

In project partnerships and any other partnerships, a clause on Transparency and Anti-Corruption is an intrinsic part of the partnership agreements and/or Memorandums of Understanding or contracts.

The different types of corruption in practical NGO work, their implications and consequences for Light for the World and respective guidelines are listed in Annex 1.

Values

The Transparency and Anti-Corruption Policy is built on the three-core values of integrity, responsibility, and transparency. Every staff member and all those acting on behalf of Light for the World should observe, protect and respect these core values. No kind of corruption whatsoever will be concealed, tolerated, negated or understated.

Integrity

All persons subject to this policy are required to act in an ethical, efficient, effective and professional manner both at work and in relation to others. They are expected to be loyal towards Light for the World as an employer and to the organisation's values, interests and mission. This includes giving constructive criticism to the employer.

Responsibility

All persons subject to this policy have a duty to report suspicions of corruption expressed by colleagues or project partners. Light for the World will handle any suspicions with due diligence and integrity. Light for the World is committed to protecting whistleblowers and ensuing due process for accused persons. (See Whistleblowing, page 8)

Transparency

Light for the World has a high responsibility towards beneficiaries, partners and donors. Governance, decision-making, and resource management are highly transparent.

Related information is publicly available on the homepages of Light for the World in an easily accessible place.

Activity reports provide a clear picture of the impact of the work, the main areas of involvement and the reported expenditure of each organisation of Light for the World on an annual basis. In addition, an international activity report covering the impact of all members of Light for the World will be published.

Every two years, an external anonymised Transparency and Anti-Corruption Report will be published; providing an overview of complaints, cases of corruption, the way they were dealt with and lessons learned.

Measures to Prevent Corruption

Within Light for the World

Internal Control System

All Light for the World organisations have established an effective and efficient Internal Control System (ICS). Within the ICS, risk areas for corruption are addressed adequately within respective regulations and guidelines:

- ▶ **Governance Structure:** volunteering at board level, transparent appointment of board members, avoiding conflicts of interest, separation of control and management function, Code of Conduct
- ▶ **Human Resource Management:** transparent and fair recruitment processes, regular assessments and appraisals, transparent criteria for benefits & compensation and a declaration on conflict of interest for direct or subcontractor staff members.
- ▶ **Procurement:** transparent procurement processes, procurement policy avoiding conflict of interest
- ▶ **Financial Management:** 'four eyes' principle, segregation of duties, rotation of responsibilities

whenever possible, e.g. for the cash register, documentation of financial guidelines and procedures, internal control mechanisms for financial transactions, reserves and investment policy and expenses guidelines

The ICS is subject to the external auditing process. It is enhanced annually based on the further development of the organisation, internal and external requirements, on the results of an external examination, the acquired knowledge from corruption cases and best practice examples from other organisations.

External Audits

The financial statements and management of all Light for the World organisations are annually audited or reviewed by certified external auditors, according to national or international standards. The rotation of the auditors (either by the company or person undertaking the audit) shall take place at least every five years for core members and

at least every ten years for associated members unless circumstances, national regulation or donor requirements stipulates a more frequent rotation.

Spot checks, Internal Audits and Quality Audits

Spot checks and/or internal audits are conducted in all Light for the World organisations, including their Country Offices. Written reports on the findings and recommendations of the audits will be acted upon.

Light for the World organisations act in compliance with internationally or nationally recognized quality standards for non-profit organisations and whenever appropriate, or required, undertake the respective quality audits.

Training and Communication

As part of the induction process for new employees and other staff members working regularly with and on behalf of Light for the World, training or sensitisation sessions will be undertaken in line with this Transparency and Anti-Corruption Policy. Employees and other stakeholders working regularly with and on behalf of Light for the World will receive regular, relevant training on how to comply with this Transparency and Anti-Corruption Policy.

The Transparency and Anti-Corruption Policy will be communicated and published on our internal communication tools and channels, our national and international homepages and, where appropriate, communicated to suppliers, contractors and other parties.

Financial Transactions to Partners

Light for the World has put in place clear procedures for financial transactions with partners and programmes:

- ▶ Transactions are made in instalments or based on milestones according to the project agreement and/or donor requirements;
- ▶ When financial and narrative reports are approved by Light for the World, the next payment will be effected;

- ▶ For all transfers we receive confirmation of payment from the partner.

Within our collaboration with partners and projects

Corruption in project work leads to ineffectiveness and incorrect distribution of resources. In most countries, especially developing ones, the most marginalised people (e.g. persons with disabilities) frequently suffer the most from corruption.

Typically, corruption is uncovered either through control mechanisms and evaluations or through a tip-off from a staff member, a partner or an external stakeholder who may have a connection with the partner organisation.

Light for the World has established a range of procedures, control mechanisms and comprehensive monitoring and assessment systems which provide a solid basis with which to prevent corruption from the outset. Light for the World is constantly working to improve these measures and to adapt them when it is necessary and appropriate.

Internal Partner Assessment

When entering into a new partnership and also during existing partnerships, an assessment of the partner organisation will take place by using specific assessment tools. These assessment tools are subject to regular reviews.

Internal Project Assessment

Light for the World projects are usually implemented by local partner organisations. After handing in new proposals the project cycle system starts. One of the tools which is used at the start of a new project is the compulsory “Project Assessment Tool”. The respective programme officer from Light for the World will assess the project. This tool includes questions on planned investments, on the cost-benefit ratio and on planning, monitoring and evaluation systems. The final decision of funding is made after a recommendation from an internal committee during the Recommendation,

Assessment and Learning meeting, attended by either a Programme Manager or a Country Director. Funding agreements are usually made for between 1 to 3 years, but this may differ among Light for the World Associate Members.

Partnership Agreements, Contracts with Partners

When implementing a project, all partners have to sign a partnership agreement, which forms the legal basis of the partnership. These agreements include a clause on Transparency and Anti-Corruption (see Annex 2). This partnership agreement serves as the legal basis in the event that there is a case of corruption occurring within Light for the World's project/programme work.

Internal Financial Reporting

In general, project partners of Light for the World must submit financial reports twice a year unless deviating regulations are defined in the Partnership Agreements or were otherwise agreed in contracts with third parties. The financial report shall comprise expenditures by budget item following the budget lines of the approved budget and the transferred funds.

External Financial Reports

Before starting a partnership, Light for the World asks for financial audits or reliable financial reports from the potential partnership organisation, wherever possible covering the three previous years. For projects above an annual budget of 25,000 Euro per year, external audits or in-depth financial assessments by external consultants are recommended. Depending on the nature of the partnership with and/or requirements of external donors, either a full audit of the partner organisation, including the disclosure of the contribution of Light for the World, or a project audit will be requested. Light for the World reserves the right to be involved in the selection and/or approval process of external auditors whenever necessary or appropriate.

A rotation of the auditors (either a company or person within the organisation carrying out the audit) shall take

place every five years.

In general, the above described regulations apply unless stricter or deferring requirements from national regulations or donors apply.

Regular Narrative Reporting

During a project period the partner is required to provide narrative reports on the implementation of the project as stated in the Partnership Agreement. In general, reports are required every six months.

Independent Reference Check

Before entering an agreement with a new partner, Light for the World will try to gain the following information from the partners' other existing and former donor organisations as well as from the networks of that same partner:

- How long do/did they have experience working with the partner?
- How is/was their overall experience with this partner in terms of administration, reporting, effectiveness?
- Have they experienced any misuse of funding with this partner?
- Would they advise us to work with this partner and why/why not?

The outcome of the reference check will be documented.

Regulations for Support Partnership and Emergency Support

In the event of Support Partnerships (where limited financial support is provided) or Emergency Support, the exclusion and minimum criteria of the partner assessment tools have to apply (see above). Decisions on external financial audits need to be taken depending on the respective situation.

Monitoring Visits

Monitoring visits to all partners every two years are envisaged. These monitoring visits shall be undertaken by two people (the “four eyes” principle) whenever possible.

During these visits a review of general developments, specific administrative and programme assessments as well as spot-checks on the partners’ internal control system are all undertaken.

Raising a Complaint

The principles of dealing with a complaint, data protection and confidentiality within this policy are applied to all members of Light for the World, whether they are core or associate members. The procedures of filing and handling a complaint differ for associated members but need to be of a similar level of quality. The procedures below are for Light for the World International and its core members, as clarified in the scope of this policy. Complaints mechanisms in associate members differ. These complaints mechanisms have to be distributed to other Light for the World members and they need to be published on the national homepage.

- Light for the World will familiarise all employees with its whistleblowing and complaints procedure so that all employees or others connected to the organisation can raise their concerns swiftly and confidentially.
- Employees or others who may raise a complaint in good faith will be protected irrespective of whether the allegation is later upheld or not.
- If confidentiality is requested, all possible steps will be made to protect the identity of the person who voices the complaint.
- If, however, it turns out that employees or others knowingly or deliberately raise false allegations, then the appropriate steps, in line with the respective legal framework, will be taken.

Confidentiality

Light for the World has a clear whistleblowing policy (see below) when concerns of misconduct are raised within the organisation. Information is handled confidentially and with respect by the person conducting the investigation. The person in question will be treated as innocent until investigation proves otherwise. All personal data of the whistleblower(s) and accused person(s) is protected.

Channels to voice a complaint

Any concerns should be raised immediately. The complaint should be as clear as possible, containing:

- ◆ a precise description of the situation
- ◆ the name of the person and/or department concerned
- ◆ the date on which the conduct/decision in question took place

Whistleblowing

General whistleblowing policy within the organisation:

- Complaints can be raised at all levels of Light for the World.
- All complaints about misconduct within the organisation will be investigated thoroughly, sensitively and fairly.

Complaints can be raised on all levels within Light for the World. However, the recommendation for raising a complaint are as follows (even anonymously):

If the case concerns Light for the World International or any of the Light for the World Core Members:

1. Send a complaint to:
complaints@light-for-the-world.org.
 This e-mail will be accessed by the complaints team.
2. Send a complaint to:

 Light for the World International
 Complaints Team
 Niederhofstrasse 26, 1120 Vienna, Austria, Europe

 or send it directly to the Complaints Person of your Light for the World organisation.
3. Go to your immediate line manager or, if there is a good reason not to, address the next hierarchical manager above them.

necessary another person from the management will investigate the case.

- ▶ If an employee of the partner organisation is involved, the management of the partner organisation is responsible for the investigation. Light for the World offers support but does not investigate the case itself.

The next management level and the complaints team will be kept in the loop.

Information of the Management

In cases concerning Light for the World International and its Core Members, the CEO, the International Management Team and the respective national director will be informed of the investigation. If projects are funded by an institutional donor or by a Light for the World member, they must be informed immediately as well (see also 4.6.).

Processing a Complaint

Information about the investigation

Internal Cases

The line manager of the suspect(s) will be informed immediately. If the suspect is the director of any Light for the World organisation, the respective board will be informed. The investigation will be conducted in general by the respective Line Manager and if necessary by another person from the management team. The appointment of the investigation team lies at the next management level.

External Cases

The project/programme officer in Vienna as well as the Country Office Director will be informed. There are two different possibilities for who will investigate the case:

- ▶ If the management of the partner organisation itself is involved (e.g. the director, the board), the project/programme officer from Light for the World, and if

Firstly, some evidence needs to be provided. What is the source of information? Is it from internal observations, through media or through rumours? Rumours, information from third parties and denunciations must be properly checked in a serious but discreet way.

For Internal cases and when the management of a partner is a suspect:

The suspect has the chance to describe his/her view of the complaint. If there is a good reason for not involving the suspect, or if the person reporting the case is not satisfied with the way in which the reported complaint was handled, this should be conveyed to the next level of management.

Determination of scope of corruption

After a critical examination, the estimated scope of the concern will be assessed. How serious is the suspicion and how serious is the impact on Light for the World? If deemed necessary, an external audit will be conducted.

Advice from investigator on how to settle the concern

An investigation report summarising the findings, recommendations, views of the suspect, the complainant and relevant staff member/ project partner will be forwarded to the next management level for decision.

The report may also include general recommendations to enhance the ICS and/or current practices.

Decision of next management level

The next management level team at Light for the World will decide on the particular case and inform the persons/ the partner involved in writing with the results of the inquiry, the decision taken, and any conclusions related to the decision.

Chance to appeal

For internal cases: After communicating the decision to the suspect, he/she will have the chance to appeal and send his/her view.

Execution of sanctions

The agreed upon sanctions will be executed.

Internal information

The complaints team will receive a copy of the investigation report, as well as information on any decisions taken, possible sanctions, and lessons learned.

Legal Action Cases

Light for the World complies with the rules and regulations of the national law and cooperates with the respective legal authorities. In case of violations/infringements of applicable laws, legal measures will be taken, justified exceptions, which have to be documented, could be that:

- the life & health or security of a person is in danger
- there is evidence that the authorities are corrupt
- human rights are likely to be violated
- there are disproportionate financial and reputation risks for Light for the World

These types of corruption are listed in Annex 4.

An employee will be dismissed from work and requested to repair the damage caused by their corrupt behaviour (return or repay amounts, etc.).

A partner will be requested to compensate for the damage caused by their corrupt behaviour (e.g. return or repay amounts) and to stop, reveal and improve the conditions that led to corruption. The partnership may be continued or discontinued depending on the outcome of the investigation, the collaboration with the partner during the investigation, and the steps taken to prevent corruption in the future. Steps will be taken to increase monitoring of the partner until Light for the World is satisfied that the corrupt practices have been adequately addressed.

In all suspected Legal Action Cases concerning Light for the World International or its Core Members, the CEO, the International Management Team and the respective National Director must be informed before the investigation starts.

Information of Institutional Donors

In cases of corruption in a project (co-)funded by institutional I donors, whether founded or unfounded, the relevant donor will be informed immediately without undue delay, including information on the case, the implications and steps already taken or to be taken. The main contact person of the institutional donor will be responsible to keep the donor informed while the investigation is ongoing.

Internal Documentation

All verified cases are tracked and reviewed/updated regularly in an internal document for all the members of Light for the World, including detailed recommendations and lessons learned (see Annex 5). This contributes to

cross-organizational learning to prevent similar cases in the future from happening and it aims to overcome the reluctance people may have to addressing corruption. Information in the internal report will be anonymised.

External Reporting - Transparency and Anti-Corruption Report

Every two years an external report on Transparency and Anti-Corruption will be published providing an overview of complaints, cases of corruption and the way they were handled. All information in the report will be anonymised. The Transparency and Anti-Corruption Report will be published on the international homepage of Light for the World.

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Annex 1: The Different Faces of Corruption

Annex 1 shows the different types of corruption in practical NGO work, their implications/consequences for Light for the World and respective guidelines.

Some of the cases have to be treated according to our Legal-Action-Policy. These cases are listed in Annex 4.

Guiding questions for all types of corruption

The Guidelines and Principles indicated in Annex 1 support all employees and stakeholders of Light for the World as well as their project partners. However, there are people behind every organisation and every partnership. These people have to make their own decisions on a daily basis. In order to protect their own integrity and to prevent corruption, the following questions can be helpful in the decision-making process:

- Are my actions in accordance with the law?
- How would my colleagues judge my actions?
- How would the public judge my actions?
- How would the press / media report on my actions?
- How would sponsors and donors judge my actions?
- Would it damage my employer's reputation and the work of Light for the World if my actions were to be publicly revealed?

Forms of Corruption

- ▶ 1 Corruption and Bribery
- ▶ 2 Fraud and Theft
- ▶ 3 Conflict of Interest
- ▶ 4 Abuse of Power and Extortion/Blackmail
- ▶ 5 Nepotism and Favouritism
- ▶ 6 Gifts

Corruption and Bribery

Corruption is defined by Transparency International as the

abuse of entrusted power for private gain¹.

Bribery is defined as the act of offering someone money, services or other valuables, in order to persuade him or her to do something in return².

Possible forms of Corruption and Bribery:

Monetary:

- ◆ Fake invoices or accounts (misuse of project funds)
- ◆ A wedding was accounted as a conference
- ◆ Private dinners in restaurants
- ◆ Kickbacks
- ◆ Bribery of civil servants to speed up their processes

Not monetary:

- ◆ Lack of agreement for private use of a company/project car, equipment, etc.
- ◆ Receiving full-time payment for part-time work
- ◆ Private use of the project-related infrastructure for something else

Implications/Consequences for Light for the World:

Low level corruption and bribery is an epidemic in some countries where Light for the World operates. Bribery and corruption conflict with the values of Light for the World. Regular project visits and a solid relationship with partners minimises these risks.

Guidelines and Principles:

- Light for the World does not accept bribery or corruption in any form.
The only exception is when the life or health of employees of Light for the World is in danger (e.g. the need to by-pass a roadblock, to bail themselves out

1 Transparency International, http://www.transparency.org/news_room/faq/corruption_faq

2 Anti-Corruption Policy, Dan Church Aid

of unwarranted custody, etc) . In such cases, accurate documentation and timely information must be provided to the management.

- Abusing a position within a project of Light for the World for personal gain is prohibited.
- Employees and project partners of Light for the World must not agree to bribes from potential partners in order to award contracts.
- Employees of Light for the World must not accept bribes from current partners in order to speed-up a payments or to release a payment without necessary documents.
- Light for the World bases its cooperation with partner organisations on mutual ownership, accountability, participation, equality and harmonisation.
- Light for the World does not bribe in order to influence partners or obtain favours.
- Making contributions to political parties is prohibited in any form.
- Partners who are suspected of receiving or paying bribes, will not be granted funds from Light for the World.

Fraud / Embezzlement and Theft

In the broadest sense, fraud is an intentional deception made for personal gain or to damage another individual. There are a lot of different forms of fraud (e.g. trickery or false pretences, deceit, etc.). The specific legal definition varies according to the legal jurisdiction. Fraud is a crime, and also a civil law violation³.

Embezzlement is defined as the misappropriation of property or funds.

Theft is the generic term for all crimes in which a person intentionally and fraudulently takes personal property of another without their permission or consent and with the intent to convert it for their own use (including potential sale)⁴.

Possible forms of Fraud/Embezzlement and Theft:

- False documentation in order to receive project money
- Lying about qualifications
- Abusing power/knowledge to steal cash and equipment from office
- Misusing funds
- Purchasing of private goods with project funds
- Selling spare parts of e.g. a car and pretending it was broken
- Receiving money from sold goods which are then unreported and undeclared to the bank

Implications / Consequences for Light for the World:

Serious fraud or theft can ruin the reputation of a charitable organisation. The effect of bad publicity as a consequence of fraud could be catastrophic. Light for the World is also vulnerable to fraud or theft arising from partner organisations, which act on behalf of Light for the World.

Guidelines and Principles:

- Light for the World does not accept any form of fraud or embezzlement.
- All forms of fraud / embezzlement and theft will be reported to the respective authority.
- Fraud / Embezzlement and theft are illegal and must not be used as method to gain personal or professional advantages.
- No instalment is released without an appropriate financial report (in urgent cases such as earthquakes, floods, etc. exceptions can be made)
- Rules for accounting and documentation shall be applied at all times.
- All employees and trustees of Light for the World are encouraged to be vigilant and aware of signs of fraud or theft within their work.
- All employees and project partners are encouraged to report any concerns they have without fear of consequences.
- Reported suspicion of fraud or theft will be confidentially investigated.
- Any contract with any third party that is found to have been directly involved in fraudulent activities will be terminated.

³ Wikipedia: Fraud

⁴ <http://legal-dictionary.thefreedictionary.com/theft>

Conflict of Interest

Conflict of interest is a private interest which could influence the professional performance⁵.

Possible forms of Conflicts of Interest include:

- A project employee is involved in another independent business venture or performs work for another organisation, who then devotes his/her time and effort to the business of his project work within Light for the World
- Diversion of a business opportunity to another organisation
- Ownership of or interest in a business (either the person him or herself, or their family members or friends) with which Light for the World works.

Implications/Consequences for Light for the World:

Avoiding conflicts of interest is an important measure in preventing corruption. It arises from situations in which the employees or project partners of Light for the World have a private interest which could influence their professional work. Conflicts of interests are not necessarily corrupt, but corruption can lie in the manner with which they are identified and managed. Staff members and project partners are expected to show good judgement in order to make the right decision. When in doubt, it is important to contact the immediate line manager. Most forms of corruption are the result of conflicts of interest.

Guidelines and Principles:

- Employees and project partners of Light for the World will avoid conflicts of interest both in their personal interest and the interests of the organisation.
- If the employee is not sure about his/her personal judgement on certain decisions, he/she is required to ask their superior or a colleague what decision he/she would take.
- Employees are prohibited from entering or engaging in any other working relationship – including part-time work or marginal employment - without prior approval.

5 Anti-Corruption Policy, Dan Church Aid

- No employee or project partner may engage in an independent business venture, produce work or perform services for another organisation to the extent that the activity prevents the employee from devoting their time and efforts to the business of Light for the World as required by his or her position.
- Should a conflict of interest arise, management should be informed immediately, to transfer the decision making authority to another person within the management structure.

Abuse of Power and Extortion/Blackmail

Influence of persons or institutions for private purpose by using the official position or offering them personal advantages⁶.

Blackmailing is the extortion of money or something else of value from a person using the threat of exposing a criminal act or discreditable information.

Possible forms of abuse of power and extortion:

- Threatening an employee with termination of their employment if he or she does not enter into sexual relations with the superior.
- Abuse of power in order to gain personal favours such as private support in the employee’s leisure time.

Implications/Consequences for Light for the World:

Abuse of power and extortion as a result of professional status for private gain is not accepted in Light for the World.

Guidelines and Principles:

- Employees and project partners of Light for the World will not use their official position for private advantage.
- Any form of extortion is prohibited in the project work of Light for the World
- The employees and project partners of Light for the World shall not use their power in order to obtain personal favours or services from employees.
- Abuse of power in order to obtain sexual favours is strictly prohibited.

6 Anti-Corruption Policy, Dan Church Aid

Nepotism and Favouritism

Preferential treatment of family, friends or other personal relations through recruitment, procurement, aid delivery or other situations.

Possible forms of nepotism and favouritism:

- Offering employment to a relative or friend even though others are better qualified.
- Despite procurement and economic rules, inferior/more expensive bids are accepted due to private contacts.
- Family members, friends or other personal relations are favoured for service delivery within a project.

Implications/Consequences for Light for the World:

In some cultures, nepotism is seen as normal practice. It has developed over years and is a part of daily life. Sometimes people can be expelled from their families if they break these rules. Therefore, the approach of how to fight nepotism has to be done in a very sensitive way. Nevertheless, it should not be viewed as accepted practise in the project work of Light for the World.

Guidelines and Principles:

- Friends, families and other personal relations will not be favoured through recruitment, procurement, aid delivery or other situations.
- In recruitment at country office level, the decision has to be taken by the country office representative and a second person.
- In certain cases, if conflicts of interest are declared, it may be accepted to hire/work with family or close friends, but this has to be approved by the senior management (or by the Board in case it concerns the senior management).
- In general, personal relationships between an employee and his/her superior have to be disclosed and in this instance, the management shall transfer the decision-making authority to another person within the organisation.
- To avoid favouritism and nepotism in procurement, the agreement must be awarded to the most economical and advantageous offer, as stated in the contract.

- Family members are not allowed to be included in the decision of the recruitment committee. This includes decisions related to the employment of a family member or another person with whom the employee has a close personal relationship.
- No employee or family member may have, directly or indirectly, a significant financial interest in any organisation which conducts business with Light for the World, unless the interest has been fully declared in writing to the employee's superior.

Gifts

Receipt of any gifts or other favours which may influence the decision of a person.

Possible forms of receiving gifts:

- While visiting a project partner abroad, a disproportionate or expensive gift is given to the employee.
- Gifts are given to the project staff in order to receive services.
- Gifts to officials are made in order to speed up a process

Implications/Consequences for Light for the World:

Small gifts are often a tradition and a form of hospitality in the programme countries of Light for the World. Not accepting them would be an expression of disrespect. Nevertheless, there is a fine line between traditional and hospitality gifts, and gifts which could influence the performance and decisions of the employee. Employees of Light for the World do not give or receive gifts which exceed the amount of EUR 30.

In some countries, common practise are gifts which are given to speed up a process or decision. However, project partners of Light for the World will not use or accept these type of gifts in any projects supported by Light for the World.

Guidelines and Principles:

- Direct or indirect gifts or other favours which may influence performance must not be accepted or given.

- Cash gifts are never accepted.
- All employees and project partners are expected to show good judgment on the kind of gift they receive – when in doubt inform or ask a superior. In general, the counter value of the gift shall not be higher than 30 Euro.
- Minor gifts may be accepted in order to respect local traditions and conventional hospitality (in no case should staff or anyone connected to Light for the World accept gifts which exceed a counter value of around EUR 30). All minor gifts have to be shared with colleagues.

Annex 2: Clauses for Agreements with Partners, Employees, and Contractors

Clause for Partnership Agreements

1. The partner is obliged not to offer third parties advantages of any kind, whether directly or indirectly, nor are they to accept gifts, secure or demand advantages, for themselves or others, directly or indirectly which are deemed or possibly deemed an illegal act or bribery.
2. The partner is committed to take every necessary measure to prevent and remedy misuse of funds, avoid any conflict of interest between their personal interests and the interest of the partner's organization or its programmes and any fraudulent and corrupt practices inside the partner's organization or its programs.
3. If circumstances mentioned under Articles 1.1. and 1.2. are suspected, an investigation will be conducted following Light for the World's complaint procedure in case of fraud and corruption, as set out in the Transparency and Anti-Corruption Policy of Light for the World, which is published on our homepage (<https://www.light-for-the-world.org/light-world-anti-corruption-policy>). Depending on the circumstances, Light for the World may take actions in the interim to prevent further harm. Should the allegations be proven, the partner will be held responsible.
4. If the partner is suspected of fraud, misuse of funds or non-compliance as mentioned under Articles 1.1. and 1.2., Light for the World reserves the right to immediately terminate the project agreement with the partner, to discontinue all financial support and to claim damages from the partner.

OPTIONAL FOR DFID FUNDED PROJECTS:

The partner commits himself to provide annually a declaration of direct or subcontractor staff members proposed to work on DFID funded programmes if previously employed by DFID or the UK government in the preceding two years

Clause in Light for the World Employment Contracts

Light for the World holds special policies for certain areas of work. At the time of writing, these include the Safeguarding Policy, this Transparency and Anti-Corruption Policy as well as the Data Protection Policy. I have read and understood these policies and hereby commit myself to complying with them.

Clause for Contractors

The contractor is obliged not to offer third parties advantages of any kind, whether directly or indirectly, nor are they to accept gifts, secure or demand advantages, for themselves or others, directly or indirectly which are deemed or possibly deemed an illegal act or bribery. If the contractor is suspected of fraud or bribery Light for the World reserves the right to immediately terminate the agreement with the contractor.

Annex 3: Checklist in Case of a Complaint

The procedures below are for Light for the World International and its core members. Complaints mechanisms in associate members differ.

If a complaint reaches you please check that each of the following points is complete and that it respects the following criteria:

Name of the person/partner suspected:	Checked	Not checked	Remarks
<p>Information about the team carrying out the investigation, next management level and complaints team</p> <p>Internal cases: The line manager of the suspect(s) will be informed immediately.</p> <p>External cases: The project/programme officer in Vienna as well as the Country Office Director will be informed. It will be decided if the case will be investigated by Light for the World or the partner organisation. The next management level and the complaints team will be kept informed.</p>			
<p>Information of the Management:</p> <p>The CEO, the International Management Team and the respective national director will be informed of the investigation. If the projects are funded by an institutional donor or by a Light for the World member, they have to be informed immediately.</p>			
<p>Background check on incoming suspicion (investigation): Firstly, evidence must be provided. What is the source of the information? Is it from internal observations, through media or through rumours? Rumours, information from third parties and denunciations must be properly checked in a serious but discrete way.</p> <p>For Internal cases and when the management of a partner is suspected:</p> <p>The suspect has the chance to describe his/her view of the complaint. If there is a good reason for not involving the suspect, or if the person reporting the case is not satisfied with the way in which the reported complaint was addressed, this should be conveyed to the next level of management.</p>			

Name of the person/partner suspected:	Checked	Not checked	Remarks
<p>Determination of the scope of corruption: After a critical examination, the estimated scope of the suspicion will be assessed. How serious is the suspicion and how serious is the impact on Light for the World? If useful an external audit will be conducted.</p>			
<p>Advice from the investigator on how to settle the concern: An investigative report summarising the findings, recommendations, views of the suspect, the complainant and relevant staff member/project partner will be forwarded to the next management level for a decision.</p> <p>The report may also include general recommendations to enhance the ICS and/or current practices.</p>			
<p>Decision at next management level: The management of Light for the World, after being informed about the case and subsequent investigation, will then decide on the particular case and inform the persons/ the partner involved in writing on the results of the inquiry, the decision taken, and any conclusions attached to the decision.</p>			
<p>Chance to appeal: For internal cases: After communicating the decision to the suspect, he/she will have the chance to appeal and send his/her view.</p>			
<p>Execution of sanctions: The agreed sanctions will be executed.</p>			
<p>Internal information: The complaints team will receive a copy of the investigation report, as well as information on decisions taken and possible sanctions.</p>			

Annex 4: Legal Action Cases

The following cases fall under the Legal-Action Clause and have to be treated accordingly:

Legal Action will be taken:	Checked	Next step arranged	Remarks
Abuse and Misuse of funds and property (this includes stealing of money or equipment from the office, hospital, school, etc.) or any form of theft			
Engaging in luxurious and more expensive procurements (from friends or family members)			
Harassment including sexual harassment (child abuse) under abuse of power			
Acceptance of expensive gifts or money - (Considering the fine line between traditional and hospitality gifts)			
Faked invoices or accounts, false documentation on order to receive project funds (misuse of project funds)			
Selling of project car, furniture, medicines or other new or old goods without reporting and returning the amount			
Receive full-time payment for part-time work			
Purchasing private goods with project funds			
Systemic corruption - systemic camouflage of embezzlement, etc. to save the reputation of the organization and its management			
To favor family members, friends or other personal relations through recruitment, procurement, aid delivery or other situations			



LIGHT

FOR THE WORLD

Policy

Transparency and Anti-Corruption

1. **Executive Summary**
2. **The Policy**
3. **Measures to Prevent Corruption**
4. **Raising a Complaint**
5. **Internal Documentation**
6. **External Reporting – Transparency and Anti-Corruption Report**

Annex 1: The Different Faces of Corruption

Annex 2: Clauses for Agreements with Partners, Employees, and Contractors

Annex 3: Checklist in Case of a Complaint

Annex 4: Legal Action Cases

Status: approved by Assembly of Members, 2019-11

Version: 2019-11

I, the undersigned, agree to adhere to Light for the World Transparency and Anti-Corruption Policy including all Annexes:

Organisation:

Position:

Name:

Date

Signature
