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Introduction

Corruption is a global problem with far-reaching consequences for worldwide development. Due to its hidden nature, it is very difficult to measure the exact degree of the damage that is every year caused by corruption.

The humanitarian aid sector is particularly affected by corruption, as it is overwhelmingly active in countries where – according to Transparency International's Corruption Perceptions Index – there is a continuously high perception of corruption. Also, the financial scope of global humanitarian aid efforts – US\$24.5 billion in 2015¹ - is a particular magnet for corrupt behaviour and due to its complexity, financial volume and numerous actors, the humanitarian sector is very prone to corruption. This has devastating consequences for the people affected by crisis and disaster who are in need of humanitarian assistance.

Johanniter International Assistance prohibits any form of corruption within its organisational activities and strives to make a contribution to fighting and preventing corruption in the field of humanitarian and development aid.

A. Scope and Field of Application

This policy applies to any person acting on behalf of Johanniter, including:

- ▶ Johanniter International Assistance employees in Germany (including trainees, interns, student assistants, temporary workers etc.)
- ▶ international employees of Johanniter International Assistance in regional, country and field offices
- ▶ members of Johanniter disaster response volunteer pool
- ▶ national staff working in the organisation's regional and country offices, as well as in projects anywhere in the world,
- ▶ employees of the support centres of Johanniter International Assistance (SALT, IPC, MIC and ITC)
- ▶ consultants and other people working for the organisation on a freelance basis (e.g. photographers).

This policy is an integral part of any labour or consultant contract. Violations of this policy can lead to immediate termination of contract and end of cooperation. Depending on the severity of the violation, penal or civil law proceedings against the offender may also be initiated.

Staff members and Johanniter volunteers confirm through their signature that they will

¹ Global Humanitarian Assistance Report 2015; <http://www.globalhumanitarianassistance.org/>

comply with and implement this policy.

Johanniter is aware that some of its activities take place in regions which are characterized by high security risks. Thus, employees might be exposed to risks and challenges during or caused by the implementation of this policy. In such situations, security of staff members always has the highest priority. Under given circumstances a threat to the safety of our staff may overrule the prohibition of corrupt behaviour.

B. Definition

For the purpose of this policy, Johanniter follows the definition that **corruption** is the misuse of entrusted power for private gain.² This includes the offering, giving, soliciting or receiving of gifts³, loans, rewards, provisions or any other advantages from or for a third person as incentive to do something which is dishonest, illegal or a breach in confidence within the framework of normal business. Legally, the term encompasses venality, bribery, acceptance and unauthorised grants of benefits, betrayal, anticompetitive agreements and money laundering.

Fraud is a knowing misrepresentation of the truth or a concealment of a material fact to induce another to act to his or her detriment⁴.

To prevent **corruption and fraud** in any form Johanniter has established control mechanisms and included these into several guidelines, such as the Financial Guidelines which provide description of tools to prevent corruption, or Procurement Guidelines with clear definitions of tender procedures according to the value of goods or services to be procured. Similar guidelines have been established for the cooperation with partner organisations. The obligation to adhere to these rules is an integral part of every project contract with a project partner.

A **conflict of interest** is defined as a competitive situation between somebody's professional and personal interests, even if it does not result in unethical or improper behaviour. Conflicts of interest arise when a staff member's outside interests affect (or are perceived to affect) their ability to act fairly and impartially. Opportunities for personal gain, or for family or close associates to benefit (nepotism or cronyism), may influence an individual's behaviour. Being in a conflict of interest situation is not in itself corruption, but can lead to it.

Every person associated with Johanniter International Assistance (according to chapter A) must avoid or manage any potential, real or perceived conflict of interest (inter alia by refraining from any decision making on matters subject to a potential conflict of interest), and openly acknowledge any potential or actual conflict of interest which arises through his/her association with Johanniter.

² Transparency International http://www.transparency.org/whoweare/organisation/faqs_on_corruption#defineCorruption

³ Definitions of what is allowed can be found under chapter D.

⁴ UNDP Anti-Fraud Policy

It is allowed that persons, who are active volunteers of Johanniter, or companies and organisations that are closely associated with these persons, take over remunerated contracts for works and services for Johanniter, as long as internal rules are followed and transparent and they do not receive any preferential treatment.

C. Examples of Corruption, Fraud and Conflict of Interest

In Johanniter International Assistance, corruption and fraud in any form, whether direct or indirect, are forbidden. This includes but is by no means restricted to the examples listed below. Any other behaviour that according to the above mentioned definitions or by applying common sense in the spirit of this policy must be considered corruption or fraud is equally not tolerated.

I. Embezzlement of Assets

The embezzlement of assets includes the use of assets for a purpose other than intended. Such as:

- ▶ Use of buildings constructed through project funds for an unintended private purpose without permission of supervisor or respectively donor,
- ▶ Purchase of vehicles or other items that meet higher standards than required to reach the project goals,
- ▶ Payment of salaries to fictitious persons,
- ▶ Entry of non-made business trips into the books,
- ▶ Free-of-charge use of project vehicles for private purposes,
- ▶ Stealing of goods for personal use or resale, for example through falsification of inventory or beneficiary lists,
- ▶ Exchange of project goods for less valuable products,

II. Financial Gain

The realisation of financial gain also constitutes corruption. It is, for example, considered to be corrupt if:

- ▶ The agreement of excessive prices when purchasing material or when confirming an order with the aim to share the difference between the ordering party and the agent (kick-back),
- ▶ Confirmation of an order, provided that the contractor commits himself/herself to pay an illegal amount of money which he/she is gaining through delivering sub-standard quality (modified kick-back),
- ▶ Falsification of receipts and documents,
- ▶ Donated funds are not immediately disbursed for the intended purpose of the project but used as an interest and profit-bearing investment,
- ▶ On exchanging money, exchange rate fluctuations are used for private gain,
- ▶ Money is exchanged on the informal market at a higher price while the lower official

exchange rate is stated in the books.

III. Preferential Treatment and Nepotism

Corruption further includes:

- ▶ Favouring people for reasons of religious, ethnic, familial affiliation or friendship when awarding jobs or contracts, while ignoring the usual recruitment regulations and quality standards,
- ▶ Creation of unnecessary positions,
- ▶ Payment of higher than standard wages without objective reason and without permission of supervisor
- ▶ Payment or acceptance of monetary or non-monetary bribes to obtain or provide certain positions or services, such as inclusion into beneficiary lists, award of contracts etc.

IV. Dispatch Money

- ▶ Staff members or persons acting on behalf of Johanniter International Assistance, as defined in chapter A, are prohibited to make payments or offer favours with the aim to speed up processes such as customs clearance, registration, grants of permissions, and allocations of services.

V. Behaviour towards Accessories to Corruption

- ▶ It is corrupt behaviour to bribe persons who have witnessed an act of corruption in an attempt to prevent them from reporting the incident.

D. Gifts and Rewards⁵

Special regulations apply to the acceptance of gifts and other personal benefits as well as the donation of gifts and granting of other advantages.

The acceptance of gifts or other personal advantages from the organisation's stakeholders, business partners, project partners, employees and target groups is prohibited, unless these are token gifts of a low value or the respective supervisor⁶ has given his/her written permission.

Token gifts are occasional presents and other advantages whose value per giver, calendar year and staff member do not exceed 35 Euros⁷.

⁵ giz, Code of Conduct, October 2014, accessible under <https://www.giz.de/de/downloads/giz2014-en-code-of-conduct.pdf>

⁶ The term supervisor also includes team leaders during emergency missions.

⁷ In case value of present cannot be determined, the superior has to give general approval.

The supervisor can grant his/her permission to accept gifts and other advantages, when receiving is considered an act of politeness and important not to offend the giver. In addition, the acceptance must not put the receiver into a position of obligatory reciprocity so that he/she could no longer carry out his/her professional tasks impartially. The received gifts have to be used for business or humanitarian purposes or – especially in the case of expendables – jointly with other staff members (e.g. for staff festivities). Private use can only be approved of as an exception through the superior.

E. Reporting Obligations for Staff Members and Volunteers

If an employee or volunteer witnesses a corrupt behaviour which takes place during activities of Johanniter International Assistance he/she must immediately report the incident to his/her supervisor if possible in writing.

If the corrupt act has been committed or tolerated by the supervisor himself/herself, the staff member or volunteer witnessing the act must report the incident to the next higher-ranking person.

Alternatively, a staff member or volunteer can contact the independent contact person identified below if he/she does not feel comfortable with reporting to his/her supervisor or has doubts about how to proceed.

F. Independent Contact Person

In cases of well-founded suspicions of corruption, fraud or a conflict of interest as defined in this policy, business and project partners, participants or beneficiaries of programmes or any other person can contact Mr. Volker Dattke at the Internal Audit Department of Johanniter- Unfall-Hilfe e.V. in Germany under:

Volker Dattke
Johanniter-Unfall-Hilfe e.V.
Lützowstrasse 94
10785 Berlin
Germany
Telephone: +49 30 26997 125

or under the confidential email address: audit@johanniter.de.

The Internal Audit Department is hierarchically independent from Johanniter International Assistance.

G. Preventing Violence

If an employee or volunteer commits a corrupt act in order to prevent imminent

psychological or physical violence threatening himself/herself, his/her employees or people under his/her protection, such an act is justified and does not entail any legal consequences. In such an event, a written report should be drawn up by the affected employee, signed by his/her supervisor and sent for attention to the Head of Regional Desk at HQ. The Director of International Assistance has to be informed subsequently.

H. Protection of Whistle-Blowers

Any staff member who has reported an incident of possible corruption (whistle-blower) may not be threatened or punished through repressive treatments such as disciplinary transfers or dismissal. This does not apply, if the information has been provided against better judgment, in which case, there may be disciplinary and/or legal consequences.

I. How to Sign this Policy

This policy is binding for all staff members and persons acting on behalf of Johanniter as defined in chapter A. It is an integral part of any employment or consultant contract concluded with Johanniter.

- Staff members contracted directly by Johanniter HQ commit to the policy by signing their employment contract to which the policy is a mandatory enclosure.
- National staff in the project countries, volunteers and any other person acting on behalf of Johanniter commit to the policy by signing the statement at the end of this document.

J. Legal Consequences

Violations of this policy can lead to disciplinary or contractual sanctions. Depending on the severity of the violation, the organisation also reserves the right to initiate penal or civil law proceedings against the offender.

The organisation may also immediately release any employees accused of corruption from their duties until the accusation has been investigated.

Statement

I herewith confirm that I have received, read and understood this policy. I do acknowledge that this policy forms an integral part of my contract and commit to follow the rules laid out therein.

Policy against Corruption, Fraud and Conflict of Interest

**THE
JOHANNITER**



Name

Job Title

Date, Place

Signature