

ANTI-CORRUPTION POLICY FOR INTERNATIONAL AID PROJECTS

VOLKSHILFE ÖSTERREICH
VOLKSHILFE SOLIDARITÄT
VOLSKHILFE FORSCHUNG¹

¹ The present policy applies to the associations „Volkshilfe Österreich“, „Volkshilfe Solidarität“ and „Volkshilfe Forschung für soziale Theorie und Praxis“. They are referred to as Volkshilfe in this document.

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1 Preamble

The misuse of financial and other resources or the abuse of power undermine our values and our efforts to empower and support vulnerable and marginalized people in our international work. Resources for humanitarian aid and international development projects are scarce and must be utilized in the most efficient manner possible. Corruption diverts valuable resources from the poor and marginalized. It also undermines our reputation, the reputation of our local partners and that of the humanitarian and development sector as a whole. Corruption may negatively affect the public's support for development cooperation and their willingness to provide donations. It may also pose a legal risk, especially in jurisdictions where corruption is legally sanctioned. We are therefore committed to do everything in our power to prevent corruption and to act effectively and transparently when it happens.

2 Scope

This policy applies to all Volkshilfe employees involved in the formulation, management, monitoring and evaluation of international aid projects. It also applies to consultants, contractors or any other third party involved in such projects, as well as persons and entities affiliated with our relevant partner organizations in Austria and abroad.

3 Definition

Corruption is defined as the abuse of power for private gain. It covers behaviours such as bribery, fraud, extortion or collusion. It includes offers or receipts of loans, gifts, fees, rewards or any other advantage to or from any person as an improper inducement to do something for obtaining money, sexual favours, employment, business or any other benefit.

In the context of Volkshilfe's international work, it may include among other things:

- The solicitation or acceptance of gifts, such as money, or any other favours from private businesses for offering them the opportunity to deliver goods or services for projects. An exemption is the acceptance of small gifts of little monetary value that are normal practice in the country in question.
- The solicitation or acceptance of gifts or any other favours from candidates for offering them employment or consultancy contracts in projects.

- The solicitation or acceptance of gifts or any of other favours from persons for offering them inclusion in a project as a beneficiary.
- The solicitation or acceptance of gifts or any other favours from government or local government officials for offering project services in a specific community or region.
- The offering of gifts to government officials for processing paper work such as permits or customs forms.
- The solicitation of sexual favours from beneficiaries or potential beneficiaries for including them in the project or providing them with humanitarian assistance.
- The acceptance of sexual favours offered by beneficiaries or potential beneficiaries without solicitation.
- ...

4 Our Commitments

1. Volkshilfe does not tolerate corruption by any of its employees, consultants or contractors or employees, consultants and contractors of its partner organisations.
2. Employees, consultants and contractors of Volkshilfe and its partners shall never offer to pay a bribe or pay a bribe, solicit the payment of a bribe or accept a bribe when conducting business in the context of Volkshilfe-financed aid projects.
3. Volkshilfe's leadership personnel leads by example and is committed to promoting awareness about corruption and anti-corruption measures and a sense of responsibility across the entire staff and within Volkshilfe's partner organizations.
4. Employees, consultants and contractors of Volkshilfe and its partners will report any form of corruption or attempt thereof to their respective supervisor.
5. Supervisors at Volkshilfe and its partner organisations will investigate and act upon any reported instance of corruption. Partner organisations will immediately inform Volkshilfe of any reported instance of corruption or fraud, regardless of the results of the investigation.
6. Employees of Volkshilfe and its partners that breach this policy or fail to report instances of corruption will be subject to disciplinary action up to and including termination of employment. Third parties such as consultants or contractors who fail to comply with this policy will have their agreements and/or contracts with Volkshilfe or its partner terminated. Volkshilfe and its partner may also seek restitution, prosecution or other legal remedies.

7. Volkshilfe and its partners facilitate the prevention and detection of corruption by implementing feedback and complaints mechanisms through which sensitive complaints such as cases of corruption can be safely reported and dealt with.
8. Volkshilfe and its partners will assess the risk of corruption for each project during the project formulation stage and put in place appropriate risk mitigation measures.
9. Volkshilfe and its partners will keep corruption risks under review for each project and adapt mitigation measures as and when needed.
10. Volkshilfe and its partners will make sure that all employees, consultants and contractors are aware of this policy.

5 Anti-Corruption Measures in the Management of Volkshilfe's International Aid Projects

1. Centrally-managed access controls are in place for all IT systems and software including all payment and financial management systems.
2. Prior to contracting, all new project partners undergo a rigorous due diligence process which includes a thorough assessment of the partner's commitments and capacities to ensure financial responsibility.
3. All financial flows between Volkshilfe and its external partners are regulated by written contracts.
4. All projects are subject to a multi-stage approval procedure that is based on annual planning with Volkshilfe's senior management. Projects also include quarterly reporting and biannually updated financial projections.
5. Contracts with cooperation partners include payment schedules that specify conditions for triggering payments. Among other things, partners have to demonstrate satisfactory implementation progress to trigger disbursements.
6. Bank transfers are subject to the four eyes principle. After registration of payments in the internal system, two staff members are required to approve bank transfers.
7. Internal procurement procedures include the requirement to obtain multiple offers depending on the value of the procurement of the goods or services. These procurement procedures are specified in all partner contracts.
8. Travel expenses of staff members require approval by project managers as well as Volkshilfe's senior management.
9. All Volkshilfe staff is contractually required to report secondary employment to Volkshilfe.

10. All new vendors are checked using Edikts-Datei and are subject to the four eyes principle when registered in Volkshilfe's internal payment system. Alterations to banking data are also subject to the four eyes principle.
11. Volkshilfe's bylaws and payment authorization procedure guarantee that all decision-making procedures within the organization are transparent and clearly regulated.
12. Volkshilfe's internal procedures including payment and control procedures are audited annually by external auditors.
13. Volkshilfe's partnership contracts require cooperation partners to implement feedback and complaints mechanisms in relation to offenses including corruption and fraud. Partners are also required to report instances of corruption and fraud to the relevant Volkshilfe project manager. In case of misconduct by the partner, Volkshilfe has the right to terminate partnership agreements, to discontinue fund transfers, as well as to demand the repayment of previous transfers.

6 Review

This policy will be kept under review and will be amended as and when needed.