

DTDA's Anti-Corruption Policy

1 Policy statement

The Danish Trade Union Development Agency (DTDA) has zero tolerance towards corruption in all forms, degrees and situations, and we acknowledge our legal obligation and our moral duty to safeguard the funds entrusted to us.

Corruption is recognised as one of the world's great challenges. It is a hindrance to sustainable development, and it is undermining the world's social, economic and environmental development. The diversion of resources and funds to unintended use has historically impacted on poorer communities and on people's ability to improve their lives. Further, corruption has led to the undermining of labour standards and has restricted access to basic human rights. DTDA believes that financial transparency is a prerequisite for developing a democratically functioning trade union organisation. Capacity building of partners on finance and administration and regular financial reviews are important parts of the technical assistance provided by DTDA.

DTDA has adopted the Anti-Corruption Code of Conduct laid down by the Danish Ministry of Foreign Affairs (see below) where corruption is defined as "the misuse of entrusted power for private gain" and where it covers all situations involving the taking and giving of bribes as well as other types of active or passive corruption. Corruption is best known in the form of bribery, fraud, embezzlement or extortion, but it does not exclusively involve money changing hands but may also include providing services to gain advantages, such as favourable treatment, special protection, extra services or quicker case processing. Corruption includes the offering, giving, soliciting, or receiving – whether directly or indirectly – of anything of value to influence improperly the actions of another party.

This policy is applicable to anyone working for or with DTDA, and DTDA shall ensure that all persons, organisations and companies with whom collaboration is established are made aware of this policy and accepts their responsibilities hereunder. DTDA shall further ensure that adequate preventive and remedial measures are in place to enforce the policy, and that ongoing monitoring of the application of the policy is carried out.

2 Preventive measures

2.1 Adoption of MFA's Anti-Corruption Code of Conduct

DTDA has adopted the Danish Ministry of Foreign Affairs' Anti-Corruption Code of Conduct:

A. Conflicts of interest

"We will avoid any conflict – real or potential – between our personal interests and the interests of DTDA."

Conflicts of interest arise from situations in which a member of staff has a private interest that could potentially influence, or appear to influence, the impartial and objective performance of his or her official duties. Private interests include any advantage to oneself or one's family, close

relatives, friends and persons or organisations with which one has or has had business or political relations. When faced with a potential or actual conflict of interest, staff is required to promptly inform their superiors.

B. Bribery

"We will not give or accept bribery in any form."

Bribery is the act of offering, giving (active bribery), receiving, soliciting or accepting (passive bribery) something of value with the purpose of influencing the action of an official in the performance of his or her public or legal duties. Bribery is a criminal offence.

C. Extortion

"We will not for private purposes seek to influence any person or body by using our official position or by using force or threats."

Extortion occurs when a public official unlawfully demands or receives money or property through intimidation. Extortion may include threats of harm to a person or his/her property, threats to accuse him/her of a crime/illegal act, or threats to reveal embarrassing information. Some forms of threat are occasionally singled out for separate statutory treatment under the designation "blackmail." Extortion is a criminal offence.

D. Fraud

"We will not use deception, trickery or breach of confidence to gain an unfair or dishonest advantage."

Fraud is the use of deception with the intention of obtaining an advantage (financial or otherwise), avoiding an obligation or causing loss to others. This involves being deliberately dishonest, misleading, engaging in deceitful behaviour, practising trickery or acting under false pretences. Fraud is a criminal offence.

E. Embezzlement

"We will not misappropriate or otherwise divert property or funds entrusted to us."

Embezzlement is the misappropriation or other diversion of property or funds legally entrusted to someone by virtue of his or her position. Embezzlement is a criminal offence.

F. Gifts

"We will not give, solicit or receive directly or indirectly any gift or other favour that may be seen to influence the exercise of our function, performance of duty or judgement. This does not include conventional hospitality or minor gifts."

In the context of corruption, a gift is a financial or other benefit, offered, given, solicited or received in the expectation of receiving a benefit in return. Gifts and hospitality may be in themselves a manifestation of corrupt behaviour. They may be used to facilitate corruption, or may give the appearance of corruption. Gifts may include cash or assets given as presents, and political or charitable donations. Hospitality may include meals, hotels, flights, entertainment or sporting events. As a general rule, staff should not receive gifts or other advantages. However, in observing and respecting local hospitality conventions, small gifts may be accepted.

G. Nepotisms and favouritism

"We will not favour friends, family or other close personal relations in recruitment, procurement, aid delivery, consular services or other situations."

Nepotism is favouritism shown to relatives or friends without regard to merit. Relatives or friends are treated favourably based on the close personal relationship alone rather than on a professional and objective assessment of their skills and qualifications.

H. Reporting corruption cases

"We will report any evidence or suspicion of breach of this Code of Conduct."

All staff are obliged to familiarise themselves with the Code of Conduct and respect its principles. They are obliged to report any evidence or suspicion of breach of the Code to their superiors (see section 3.1).

The above Anti-Corruption Code of Conduct must be complied with by all staff, external resource persons, partners and relevant suppliers at all times and without exception. Failure to do so will be considered a breach of contract and is likely to result in disciplinary and legal action by DTDA, as may be relevant.

2.2 Use of compulsory provision in contracts and agreements

All DTDA partner agreements and contracts with external resource persons and major suppliers involving funding from the Danish Ministry of Foreign Affairs must include the following provision (verbatim):

"No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practice, 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. Any such practice will be grounds for the immediate cancellation of this contract and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Danish Ministry of Foreign Affairs, a further consequence of any such practice can be the definite exclusion from any tendering for projects, funded by the Danish Ministry of Foreign Affairs."

2.3 Financial controls and training

DTDA shall ensure that robust financial controls are in place, both at HQ-level and at the level of the Sub-Regional Offices, and that these are clearly described in relevant DTDA guidelines and effectively imparted to all relevant staff through training that also covers the adopted Anti-Corruption Code of Conduct cited in section 2.1 above.

2.4 Partner assessments and capacity building

In connection with DTDA's partner selection processes, a formal partnership assessment must always be conducted as part of the due diligence and in accordance with the instructions in the applicable DTDA guidelines. Depending on the outcome of each partnership assessment, DTDA shall, as necessary, ensure that relevant capacity building is carried out with an eye to preventing corruption and making partners aware of their obligations and options for reporting irregularities. Also depending on the outcome of each partnership assessment, DTDA shall apply

a risk-based approach to disbursements of funds to the partner in question. Finally, the requirement for partners to carry out their own due diligence vis-à-vis sub-grantees and other relevant parties shall be clearly stipulated in DTDA's partnership agreements.

2.5 Financial monitoring

DTDA shall ensure that effective and systematic financial monitoring is carried out at all levels and that this is done with adequate frequency and thoroughness and in accordance with an ongoing risk assessment.

2.6 External and internal auditing

In addition to the compulsory external auditing of DTDA's organisational and programme accounts that is carried out annually, two board-appointed internal auditors shall each year make relevant controls of the financial transactions pertaining to DTDA's senior management.

2.7 Ensuring policy awareness and application

Whenever an employee or external resource person signs a contract with DTDA, that person will automatically be made aware of, and must commit to, the present policy, as it constitutes an integral and compulsory part of all individual contracts. Furthermore, all employees and external resource persons must sign onto DTDA's Code of Conduct, which includes a specific provision on anti-corruption and makes explicit reference to the present policy. In addition, DTDA shall ensure that staff awareness about this policy is being kept up, e.g. in connection with staff conferences.

Equally, DTDA's partners will be made aware of, and must commit to, the present policy, as it constitutes an integral and compulsory part of all partner agreements, as does the anti-corruption provision cited in section 2.2 above. DTDA shall routinely ensure that all partners are aware of the policy, e.g. in connection with financial monitoring visits, and that they make sure to cascade the requirements herein to their respective sub-grantees and other relevant parties, as applicable.

All major suppliers will similarly be made aware of this policy and must confirm their compliance herewith whenever they enter into contracts with DTDA.

3 Remedial measures

3.1 Compulsory reporting – whistleblowing/complaints

All employees, consultants, partners or companies who have signed a contract or agreement with DTDA are obliged to report immediately to their supervisor (in the case of DTDA employees) or to their contact person in DTDA (in the case of non-employees) if they discover any instances of corruption committed by a DTDA staff member or a DTDA partner, or if they have substantiated suspicion that such irregularities are taking place. The reporting can be made verbally or in writing and should include as many details as possible and, if available, supporting evidence.

If reporting to the relevant DTDA supervisor or contact person is not possible because the reporting involves that same person, the matter should be raised with the DTDA Director. If

reporting to the DTDA Director is not possible because the reporting involves that same Director, the matter should be reported to DTDA's Chairman of the Board whose contact details can be found on [DTDA's website](#).

Alternatively, reporting can be made by use of DTDA's whistleblowing/complaint mechanism which can be found [here](#) on DTDA's website, or by writing directly to: complaint@dtdda.dk. The whistleblowing/complaint mechanism is handled by DTDA's Compliance & Management Coordinator who is instructed to report directly to DTDA's Chairman of the Board if the received report implicates the DTDA Director.

All reports will be handled with confidentiality, and no organisation or person reporting in good faith will be subjected to any kind of reprisals for submitting information pertaining to this policy, including in cases where a subsequent investigation turns out to be inconclusive. DTDA's management shall do its best to ensure that all staff feel able to submit a whistleblowing report without fear of reprisals, and loyalty towards colleagues or the workplace must never lead to corruption going unreported. Similarly, DTDA shall, to the best of its abilities, ensure that partners and other external stakeholders feel able to submit a complaint without fear of reprisals.

If DTDA should receive an anonymous report, this will be treated with the same degree of seriousness as a report submitted by an identifiable sender. However, the person reporting the instance of corruption should be aware that anonymous reports are much harder to investigate and less likely to lead to actionable conclusions.

Any reports involving managerial staff of the DTDA shall be brought to the attention of the DTDA Chairman of the Board.

The overall responsibility of ensuring reporting to the Danish Ministry of Foreign Affairs or other donors or authorities, as applicable, lies with the DTDA Director – or with DTDA's Chairman of the Board if the reporting concerns the former party.

3.2 Investigations and subsequent follow-up actions

DTDA shall ensure swift and appropriate follow-up on all reports containing allegations or suspicions about acts of corruption involving DTDA funds, regardless of how the information has reached the organisation.

Unless the reported allegations/suspicions involve the persons holding these functions, the DTDA Director, the Chief Accountant, the Head of Programmes and the Compliance & Management Coordinator shall – with the involvement of other senior managers as required – decide on the immediate follow-up actions to be carried out, including the type and scope of investigation to be undertaken and the possible mitigating measures to be implemented with an eye to securing evidence, preventing potential further loss of funds and protecting the individual reporting the allegations/suspicions.

The DTDA Director shall ensure that the Chairman of the Board and all relevant donors are duly and timely notified about the reported allegations/suspensions and the scope, progress and findings of any investigation that is carried out. Depending on the circumstances, DTDA may solicit legal advice or choose to commission an external auditor or another third party to carry out the investigation of the reported allegations/suspensions.

DTDA may decide to take initial investigative and mitigating steps without informing the person(s) or organisation against which the allegations/suspensions have been made, if this is considered to be necessary to secure potential evidence, preventing further financial loss or protecting the individual who have reported the allegations/suspensions. At the earliest possible, however, DTDA shall inform the person(s) or organisation under investigation about the received allegations/suspensions, and no investigation shall ever be concluded without giving the investigated parties ample opportunity to respond to the allegations/suspensions and present relevant documentation in support of their statements.

Once the person(s) or organisation under investigation have been duly notified about the allegations/suspensions and the timeline for the investigation, DTDA may decide to temporarily suspend the collaboration with them and withhold any pending disbursements or payments until further notice. However, DTDA shall take reasonable steps to ensure that the duration of the investigation period and the temporary suspension is limited as much as possible.

Depending on the final conclusions of the investigation, the DTDA Director shall decide on the appropriate course of action and communicate this in writing to the person(s) or organisation against whom the allegations/suspensions have been raised. If the investigation concludes that any type of corruption has taken place, DTDA shall:

- Take adequate steps to avoid or limit the financial loss incurred by DTDA, e.g. through repayment, return of assets, litigation etc.
- Terminate the collaboration with the person(s) having been found to plan, carry out or facilitate the corrupt activities and – if those persons are employed by a partner or a supplier – consider terminating the collaboration with the relevant organisation or company itself, depending on the circumstances of the case.
- Consider reporting the documented corrupt activities to the relevant authorities in the given country, depending on the severity of the case and a risk-analysis that takes into consideration the human rights situation in the applicable context.
- Ascertain the weaknesses in the internal systems or controls that allowed the corrupt activities to take place, and take steps to rectify those, e.g. through enhanced procedures, training of staff or capacity building of partners.
- Make the highlights of the case and the size of the financial loss incurred by DTDA available to the public by reporting this on DTDA's website.

Finally, the DTDA Director shall ensure that the Chairman of the Board and all relevant donors are duly notified of the final outcome of the investigation, the total loss incurred by the

organisation and the respective actions that will be pursued by DTDA, in accordance with the points above.

4 Monitoring

DTDA shall ensure periodic monitoring of the application of this policy at all relevant levels, including through financial monitoring visits and partner meetings.