

We Effect

Anti-corruption and integrity policy

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1 PURPOSE AND SCOPE

The purpose of this policy is to establish organisational measures to prevent, detect and combat corruption efficiently and effectively, to promote integrity and accountability and to clearly define roles, responsibilities, and courses of action.

This policy is valid for all staff, board members and interns/trainees/volunteers or consultants/service providers acting on behalf of We Effect. It is a policy that applies for Sweden as well as all countries that we work in.

We Effect's anti-corruption and integrity policy is the basis of We Effect work to combat corruption and other irregularities in the operations. We Effect operates in environments where corruption is widespread and the organisation, therefore has a well-developed regulatory framework and system for handling corruption issues.

2 INTRODUCTION

We Effect is a rights-based organisation. We actively work with our core values in our day-to-day activities. These core values are encompassed in the principles of non-discrimination, meaningful participation, accountability, transparency, empowerment, and continued learning. These principles are translated in to: **Respect, transparency and together.**

Corruption erodes trust and poses a serious development challenge. It undermines democracy and good governance by subverting formal processes and it weakens economic development by generating inefficiency. Corruption increases the vulnerability of women and men living in poverty by denying them free and fair access to the services that they are entitled to. We Effect therefore has a **zero tolerance** against corruption.

Anti-corruption measures often target the effects of corruption, by focusing on internal control issues. Not denying the importance of having sound internal controls in place, We Effect also strives towards targeting the causes of corruption, by building integrity within the organisation. This entails working with our attitudes. We Effect believes this is possible, by an approach where choices and decisions are made in a way that puts self-respect over self-gain.

3 WHAT IS CORRUPTION?

Corruption is multi-faceted and contextual, i.e., it is manifested in different ways in different countries, and it changes over time. Corruption can be of both financial and

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non-financial nature. It is difficult to achieve full consensus and agreement on a definition of corruption. We Effect defines corruption as:

“The abuse of entrusted power for illegitimate individual or group benefit”.

Corruption can take many forms, such as petty corruption, corruption in funds transactions, political corruption or corruption favouring friends or relatives. Petty corruption encourages and lays the basis for large-scale corruption. It is therefore not possible to distinguish between practices that may be generally accepted or expected, and those that may be considered more serious.

Common forms of corruption include, but are not limited to:

- **Favoritism/nepotism:** The unfair favoring of a person or group at the expense of others and favoring of relatives or personal friends because of their (close) relationship rather than their abilities¹.
- **Embezzlement:** Taking the organisation's goods or funds for personal gain is considered embezzlement. Persons with the authority to redirect the funds, or the ability to hide the fact that the funds are missing, are typically the offenders. Embezzlement can involve taking small amounts of money over time, or taking large amounts at one time, then disappearing or under reporting and keeping the difference.
- **Diversion of resources for private gain:** Including fraud, misappropriation, and theft etc.
- **Conflict of interest:** when someone has a personal interest that might compromise their actions. Conflict of interest exists when administrators handle or make decisions in a matter in which they have a personal interest or whose outcome can result in gain for or damage to themselves or someone close to them.
- **Misuse of position:** To use entrusted power for personal benefits e.g. request money, services, sexual favors etc. in exchange for advantageous staff benefits, a certain win in a tender process, private discount on purchases made from the supplier etc.
- **Bribery:** To offer, give or receive an item of value intended to influence the actions of an official or other person involved in decision making. Included here

¹ Persons, physical or legal, are considered close if one person has the possibility to exert control, or significant influence, over the other person when it comes to financial and operative decision-making. This includes relatives, close friends or persons who have other tight bonds to staff members involved in decision making. Having situations where transactions between closely associated parties occur can create opportunities for, or suspicion of, corruption. Such relations must therefore always, if they cannot be avoided, be known and transparent. In these situations, a risk analysis will be made to determine if certain procedures and processes should be changed for the specific situation, in order to reduce the risks involved. Transactions with closely associated parties must be reported, using a designated form sent out yearly.

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are kickbacks or sharing of profits, a form of bribery where a supplier of goods or services offers part of the profit to the one/s placing the order. Bribes are often monetary but can also comprise gifts or sexual favors. Note that gifts, too, can be considered bribery if given in order to influence the recipient's behavior to favor the giver.

- **Extortion:** the act of obtaining something by force, threats, or undue demands.
- Related practices include protecting corrupt individuals, concealing incidents that have occurred, etc. Negligence and/or mismanagement can be considered as corruption.

Human error is not the same as corruption. Recognising that all people make mistakes, We Effect shall strive to design administrative and control systems that minimize the risks of both intentional and unintentional error, and that makes deviations in any form easier to detect. We Effect is subject to Swedish legislation and regulations, independent of where and with whom the organisation is working. Local legislation, rules and regulations must be adhered to, but never as an excuse for supporting corrupt or other unethical behavior.

4 PREVENTING AND LEARNING

The risk of corruption is present at all levels of operations and in all stages of the project cycle. It is essential to not limit anti-corruption work to those with administrative or economic responsibilities; instead, all We Effect staff have an important role to play in preventing and detecting corruption and other irregularities.

We Effect recognises that the availability of resources can cause opportunity for corruption and that weak organisational capacity increases the risk. Clear rules and regulations, including segregation of duties and well-understood internal control routines, are the basis for the prevention of corruption. Equally important, however, is the need to actively promote an organisational culture focusing on transparency, strong and shared ethical values, trust, and good governance.

Awareness about anti-corruption issues is essential in order to combat the problems, and the aim is to create a proactive attitude in the identification and mitigation of risks. We Effect's preventive efforts will focus on the continuous improvement of administrative and control systems, as well as capacity building and awareness raising for the people that implement them.

Corruption is a huge obstacle to development and when We Effect supports projects and programs in countries hard hit by corruption, all staff need to have knowledge of the impact of corruption on development and have good knowledge of the partners who implement the assistance. Working against corruption as an obstacle to development and working proactively and reactively with suspicions of corruption and irregularities are tasks that are mutually reinforcing. To prevent corruption, We Effect's own staff must act in a way that signals high ethical values. We Effect's Code of Conduct defines the values our employees shall adhere to.

In order to enhance and develop internal control systems, We Effect needs to constantly learn from both mistakes made by human error and from confirmed corruption cases. A culture of openness and integrity is essential to learning. To raise concerns about risks and weaknesses in systems already in place, or to suggest improvements or mitigation measures, shall always be encouraged. Reflecting upon errors committed is, and should be considered, something positive.

5 DETECTION AND OBLIGATION TO REPORT

Corruption is often difficult to detect. Knowledge about the local context is needed. Board members, staff members, as well as interns/trainees/volunteers or consultants/service providers acting on behalf of We Effect are obliged to immediately report on any suspected cases of corruption. This includes any suspicion of wrongdoing by We Effect staff, someone acting on behalf of We Effect or the employees and board members of a partner organisation.

To mitigate risks and ensure quality in our development work, it is necessary to have good working relationships with our partner organisations as well as efficient monitoring of ongoing projects. All the corrupt practices, irregularities, or other wrongdoings that concern We Effect should be reported by partner organisations. Failure to report suspicion may lead to legal action or other disciplinary measures. Fear of losing public or financial support will never be accepted as an excuse for failure to report.

Normally incidents are reported by We Effect staff using the Incident report system but We Effect also has an external system for open or anonymous Whistle blowing, this system can be reached through the following link:

<https://report.whistleb.com/weeffect>.

6 TAKING ACTION

We Effect has zero tolerance against corruption. All cases must be reported, and all cases will be addressed.

For more information on reporting of such cases, please refer to the [WE GL handbook and routine for incident reporting](#).

We Effect reserves the right to freeze or withdraw agreed support, or deny additional funding, when suspicion of corruption exists at a partner organisation. If in compliance with local labour law, We Effect reserves the right to suspend a staff member from duty (with salary and benefits intact) during the internal investigation if suspicion of corruption exists. Partner organisations are responsible for taking measures against their own employees and board members. If needed, We Effect can give support in the process.

We Effect will take all available legal action to restore lost funds and to make the responsible people accountable. We Effect will also analyse confirmed cases to see what lessons can be learned and if systems, routines, and trainings can be changed to minimize future risks of corruption.

7 RESPONSIBILITIES

In practice, prevention and detection of corruption is the continuous responsibility of all involved in development cooperation financed by We Effect, in Sweden as well as in our programme countries, and should thus be embedded in the carrying out of our day to day activities. All We Effect staff, Board members, interns/trainees/volunteers as well as consultants/service providers are responsible for adhering to this policy.

Board and management are utmost accountable when it comes to combating corruption. Managers, both in Sweden and in the regions, are responsible for implementing the policy and addressing incidents in their respective areas of operations. The specific responsibility to develop and monitor the global work against corruption lies with the Administrative Director and compliance officer in Stockholm in collaboration with the Director of the International Department at the Head office and the Regional Directors.

8 LEARN FROM EXPERIENCE

Once an issue has been resolved and depending on its nature, steps should be taken to ensure that lessons learned throughout the organisation in order to better avoid similar situations in the future.

We Effect will take action to improve internal control systems, routines, methods etc. based on experience. The person in charge will depend on the situation.

To maintain and build trust as well as to learn from experience, it is We Effect's policy to be transparent with information concerning corruption cases at the earliest possible stage.

9 SECURITY CONCERNS

Security issues must be considered when a potential corruption case is discovered. We Effect will not endanger the security of staff or partner organisations due to strict adherence to the anti-corruption policy.