

Annex 3

Solidarity Service International (SODI): Anti-Corruption Guidelines for Preventing and Combating Corruption and Conflicts of Interest (Anti-Corruption Codex)

Introduction

SODI perceives itself as an organisation for development cooperation which is independent from party politics and ideologically neutral. SODI predominantly supports children, women and communities who have become victims of wars, landmines, exploitation, violations of human rights, and ecological destruction. Furthermore, SODI combats hunger and poverty, promotes human development, and provides emergency assistance. In Germany, SODI's public relations work contributes to informing the public about causes and responsibilities of poverty, war, violence, and the destruction of human livelihood. In its actions SODI recognises its responsibilities towards its donors, its public and private sponsors, the general public, and above all towards people and communities supported by its projects. SODI implements the assignments in its statute with the highest possible effectiveness through efficient application of funds entrusted in its care. This applies both to the work of SODI and its partners, which always involves the responsible management of resources, as well as to project work, which is characterised by professional procedures regarding planning, organisation, monitoring, and evaluation of effectiveness. Corruption and corrupt behaviour compromise development projects supported by SODI and its partners. Through corruption appropriated funds are deprived of their initial purpose and therefore, regarding our target group, those funds are stolen from people in project countries. SODI is fully aware of the damages corruption causes worldwide. Therefore, preventing and combating corruption has to start with us and has to involve all our projects, partners and sponsors.

1. Definition of corruption

Within the context of these guidelines corruption will be defined as the "abuse of entrusted power for private benefits". This includes proffering, bestowing, demanding or accepting gifts, loans, rewards, commissions or any other benefit as an incentive to perform something dishonest, illegal or a breach of confidence within the course of regular business operations. The following criminal offences are counted as corruption offences: bribery and corruptibility, favouritism, fraud and embezzlement, kickback arrangements, and money laundering.

2. Purpose and scope of application

The Anti-Corruption Codex reflects SODI's self-conception and its commitment to act with integrity, responsible, conforming to the law and in accordance with high ethic and moral values. Its purpose is to prevent and confront corruption actively. This applies to SODI as well as to its partners and projects. The Anti-Corruption Codex can only be successful if it will constitute a central basis for worldwide cooperation with partners, sponsor, and projects. Therefore, the Anti-Corruption Codex and the principles, rules, and procedures laid down therein are binding for:

- all employees of SODI both at home in Germany and for its project coordinators abroad
- all employees of partners, sponsors, and projects supported by SODI
- consultants and other freelancers who work for SODI within the framework of a contract for work and labour
- members of committees and other persons working in an honorary capacity for SODI

The principles, rules, and procedures are integral parts of respective work contracts, service contracts, and contracts with partners.

3. Principles

3.1 Protection from corruption

The human right to be protected against practises and effects of corruption is affirmed and respected. This protection takes place irrespective of race, colour, sex, ethnicity, religion, degree of education, social status or nationality.

3.2 Transparency

The highest degree of transparency is maintained regarding decision-making processes, scheduled and actual resource deployment, and objectives and their implementation. This also includes informing project target groups about objectives, budgets and achieved results. Furthermore, it implies extensive reporting by SODI, partners/sponsors, and projects about granting and allocation of funds.

3.3 Loyalty

Employees and freelancers are loyal towards their respective employer und towards the concerns and interests of SODI. Constructive criticism is to be put forward in an appropriate manner. If indications and rumours should be directed against employees they can expect their employer to carefully and thoroughly analyse those indications. In this process malpractice has to be ruled out.

3.4 Confidentiality

Entrusted sensible data and information have to be dealt with confidentially. Personal data has to be safeguarded.

3.5 Participation

In the context of development cooperation the principle of participation is considered mandatory. Thence, it has to be made sure that within programmes and projects beneficiaries and their communities have a proper say and adequate possibilities of co-determination. In addition, employees also have to be integrated into decision-making processes within the scope of their responsibility and functions.

3.6 Obligation to report corruption/Committee of Trust/Ombudsman



All employees in Germany and abroad have the right to refuse to get involved in acts suspicious of corruption. Moreover, they have the right and obligation to report any act of corruption they have witnessed or became victim of.

The current Ombudsman is:

Hans-Jürgen Ebert

Glauchauer Straße 5

12627 Berlin

email: j.ebert@yahoo.de

phone: ++49 (0)30 - 9914074

mobile: ++49 (0)171 - 612 71 96

The Ombudsman, who, if required, can receive advice from the Committee of Trust, informs the board of directors of his activities in an adequate way.

3.7 Accountability

Truthful, transparent and clearly understandable account is given on respective work of partners, sponsors and projects supported by SODI. What is more, the source and application of funds is presented and checked impartially, professionally and in a timely manner (e.g. by auditors).

3.8 Observing the law

During the fulfilment of tasks, respective civil and penal laws have to be observed. This applies to the same extent to respective statutes as well as to (internal) regulations and provisions as far as they are consistent with the Anti-Corruption Codex.

4. Rules

4.1 Active und passive bribery

It is not allowed to accept or to give direct or indirect bribes, gifts or other benefits. Permitted are gifts of low value and a small present for a host, e.g. in the context of visiting a project or if accepting a small gift represents an act of courtesy. The executive board has to be informed about any received presents. Admissible in this context are dinner invitations as long as they are kept within the scope of customary business.

4.2 Conflicts of interest/personal and financial connections

Business relations must not be utilised to obtain private benefits. To prevent conflicts of interest business matters have to be separated from private matters. However, if such a conflict of interest occurs respective supervisors have to be informed immediately. The Ombudsman has to be involved if the situation cannot be resolved satisfactorily.

The employment of a person closely related or kin to a member of the management is only permissible if they have gone through transparent application and selection procedures with unambiguously comprehensible results.

4.3 Internal control

Internal controls and an appropriate internal supervision system have to ensure that work processes are taking place in an orderly fashion, laws and regulations are being observed, and corrupt behaviour is being prevented. That includes the supervision of SODI's executive board by the board of directors. The statute and the rules of procedure of the board of directors describe the cooperation among committees and the supervision and control of the executive board.

4.4 External audit

Proceedings and economic activities of SODI, its partners and its projects are being audited on a regular basis by impartial authorities. That requires proper accounting, extensive financial reporting, and an annual statement of accounts, which has been checked and attested by auditors. Internal control mechanisms are a part of these inspections. This includes a finance committee, which acts as an additional controlling body of the board of directors and audits SODI's finances **on a regular basis**. What is more, at any given time a person authorised by SODI for this purpose may audit the application of funds on partner, donor and project level.

4.5 Economic efficiency and achievement of objectives

All available resources (financial means, personnel, assets) are to be utilised target-oriented and economically efficient. If infringements against the rule of efficiency and effectiveness should occur superior authorities have to be informed and asked for adjustment.

5. Sanctions

5.1 Investigation

In cases of ascertained irregularities or of reasonable suspicions a thorough investigation of respective persons responsible has to be initiated. If funds of SODI are or could be involved SODI has the right to initialise such an investigation.

5.2 Reimbursement of loss, legal/employment law-related consequences

Loss or damage has to be reclaimed by respective persons responsible. If necessary this can include civil action. Furthermore, depending on outcomes of the investigation, employment law related consequences have to be drawn (written warning or instant dismissal) and/or criminal prosecution has to be initiated (criminal complaint with authorities). Causes and deficiencies, which led to the ascertained irregularities, have to be remedied without delay.

5.3 Dissolution of business relations

If partners, sponsors or projects do not participate in clearing up allegations of corruption, in remedying and removing ascertained deficiencies, and in initiating civil, employment or criminal law related consequences SODI reserves the right to end business relations and to stop financial aid immediately. Partners, sponsors and projects have the same rights if SODI does not conduct itself accordingly.



6. Evaluation

The implementation of the codex has to be evaluated on a regular basis. SODI, sponsors, and supported projects commit themselves to report potential infringements and to impose corresponding sanctions.

7. Concluding remark

The Anti-Corruption Codex at hand covers a wide field of behaviour with integrity and due diligence. However, it cannot address all relevant situations. In numerous cases SODI's employees, sponsors, and partners have to make decisions autonomously in order to maintain their integrity and to prevent and combat corruption.

Berlin, October 17, 2018

The board of directors of SODI