



د افغانستان روڼتيا څار ديدبان شفافيت افغانستان  
INTEGRITY WATCH AFGHANISTAN

## **Integrity Watch Afghanistan**

# Anti-Corruption and Anti-Bribery Policy

July 2015

## 1. Introduction

Integrity Watch Afghanistan (IWA) is committed to operate and implement its activities lawfully, ethically and with integrity. As part of this commitment, anyone working for or with Integrity Watch (wherever they may be based; either within Afghanistan or outside of the country) must accept that all forms of bribery and corruption are unacceptable and will not be tolerated. Integrity Watch must ensure that none of our employees, nor any third party acting on our behalf, acts in a corrupt manner when dealing with any other party or individual.

This anti-bribery and corruption policy sets out policies and rules to prevent acts of bribery and corruption in Integrity Watch. It provides guidance on the standards of behavior to which all Integrity Watch staff and (partners) must adhere. It is evident that most of these policies reflect what is both common sense and good business practices and that most probably Integrity Watch are all familiar with and practice already. This policy, however is designed to help staff members to clearly identify a variety of activities that constitute bribery and corruption. It is also intended to provide staff with help and guidance in the event that staff are unsure whether a situation which arises constitutes a case of corruption or bribery and, if so, to provide further guidance on what actions these staff members should take.

### Purpose

The purpose of this policy is to:

- (a) Set out Integrity Watch's responsibilities, and the responsibilities of those working for us or associated with us, in observing and upholding our position on bribery and corruption; and
- (b) Provide information and guidance to those working for us on how to recognize and deal with bribery and corruption issues.

**It is important that staff members read, understand and act in accordance with this policy.**

## 2. POLICY STATEMENT

1.1 It is INTEGRITY WATCH's policy to conduct all of our businesses and activities in an honest and ethical manner. Integrity Watch takes a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all its relationships and business

dealings wherever it operates and to implement and enforce effective rules and procedures to counter bribery by all means.

1.2 Bribery and corruption are punishable for individuals involved by three up to ten years imprisonment, (Anti Administrative Corruption Strategy, Chapter four, Article 15, and Part two) and if Integrity Watch is found to have taken part in corruption Integrity Watch could face an unlimited fine and face irreparable damage to our reputation. Integrity Watch therefore take our legal responsibilities very seriously.

1.3 Integrity Watch is committed to the following steps:

- (a) Implementing the anti-bribery and corruption policy;
- (b) Undertaking a risk assessment exercise, which will be subject to on-going review;
- (c) Undertaking trainings for all staff especially managerial level positions;

1.4 In this policy, third party means any individual or organization that come into contact with Integrity Watch staff during their course of work, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

### 3. WHO IS COVERED BY THE POLICY?

This policy applies to all staff members working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with Integrity Watch, or any of Integrity Watch subsidiaries or their employees, wherever located (collectively referred to as **workers** in this policy).

### 4. What is corruption?

By its nature corruption can be difficult to detect as it usually involves two or more people entering into a secret agreement. The agreement can be to pay a financial inducement to a public official for securing favor of some description in return.

Ingenious methods of making the payments are used by those involved, including moving the money through a number of offshore companies (which, on the face of it, have nothing to do with the intended recipient) registered in various jurisdictions.

It is possible that in our day to day life or in our working environment Integrity Watch have or will come across questionable practices; things that, given a staff knowledge and experience, just do not seem to add up. This may not necessarily mean that corruption is present but it may be something that a staff wish to bring to the attention of a staff manager.

## 5. Types of corruption:

The common types of corruption according to the United Nations Convention against Corruption (UNCAC) are patronage, cronyism, conflict of interest, bribery, abuse of power, nepotism, favoritism, embezzlement, forging documents, concealment and etc.

The Afghanistan Anti-corruption law and Integrity Watch identify eighteen types of corruption those are listed as:

1. Bribery
2. Embezzlement
3. Stealing of documents
4. Unauthorized destruction of official records
5. Exceeding the limits of legal scope of authority
6. Misusing of duty power
7. Impeding the implementation of justice
8. Using government facilities and official work hours for personal affairs
9. Refusing to perform duty without legal justification
10. Concealing the truth
11. Illegal increase in assets
12. Forgery of documents

13. Misrepresentation of authority (falsely representing to have certain official authority to grant or deny government approval)
14. Receiving any kind of gifts in order to perform or refrain from performing official actions
15. Delaying the execution of assigned duties
16. Violating the code of ethics of the related office
17. Involving ethnic, regional, religious, partisan, gender and personal issues in performing entrusted duties
18. Acting or refusing to act in violation of the Anti-administrative corruption Strategy

## 6. What is Bribery?

Bribery involves the following:

- When a financial or other advantage is offered, given or promised to another person with the intention to induce or reward them or another person to perform their responsibilities or duties improperly (it does not have to be the person to whom the bribe is offered that acts improperly); or
- When a financial or other advantage is requested, agreed to be received or accepted by another person with the intention of inducing or rewarding them or another person to perform their responsibilities or duties inappropriately (it does not have to be the person who receives the bribe that acts improperly).

Bribery in any form is considered illegal act it does not matter whether the bribe is:

- Given or received directly or through a third party (such as someone acting on Integrity Watch's behalf, for example an agent, distributor, supplier, joint venture partner or other intermediary); or
- For the benefit of the recipient or some other person.

Bribes can take many forms, for example:

- Money (or cash equivalent such as shares);
- Unreasonable gifts, entertainment or hospitality;
- Kickbacks;
- Unwarranted rebates or excessive commission (e.g. to sales agents or marketing agents);
- Unwarranted allowances or expenses;

- “Facilitation” payments made to perform their normal job more quickly and/or prioritise a particular customer;
- Political/charitable contribution;
- Uncompensated use of company services or facilities; or
- Anything else of value;

## 7. Definitions

Bribery - Bribery is giving or receiving something of value to influence a transaction.

Illegal gratuity – giving or receiving something of value after a transaction is completed, in acknowledgment of some influence over the transaction.

Extortion – demanding a sum of money (or goods) with a threat of harm (physical or business) if demands are not met.

Conflict of interest – where an employee has an economic or personal interest in a transaction.

Kickback – a portion of the value of the contract demanded as a bribe by an official for securing the contract.

Corporate espionage – theft of trade secrets, theft of intellectual property, or copyright piracy.

Commission/fee – used by a company or individual to obtain the services of an agent/agency for assistance in securing a commercial contract.

### 6.1 Potential risk scenarios: Red flags

If a staff encounter any of these scenarios while working for Integrity Watch Afghanistan, a staff must report them promptly to his or her line manager or to the Executive Director:

- become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with a staff stakeholders such as; government officials, other NGOs working in the same area of interest, donors and service providers;

- A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- A third party requests an unexpected additional fee or commission to "facilitate" a service;
- A third party demands entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- A third party requests that a staff provide employment or some other advantage to a friend or relative;
- A staff receive an invoice from a third party that appears to be non-standard or customized;
- A third party refuses to put terms agreed in writing;
- A staff notice that Integrity Watch have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- A staff are offered an unusually generous gift or offered lavish hospitality by a third party;
- A staff are asked to give hospitality at which a staff are requested not to attend;
- A staff are offered hospitality at which the giver is not going to be in attendance;
- A staff are asked to give hospitality to persons who are not associated with the organization (for example family members) or are offered hospitality which extends to persons beyond our business (for example family members).

### 6.3 What is not acceptable?

In addition to the above it is not acceptable for a staff (or someone on a staff behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality with the intention of influencing, inducing or rewarding improper performance;
- Give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure (where the payment is not a legitimate payment pursuant to local written law);

- Accept payment from a third party that a staff know or suspect is offered with the expectation that it will obtain a business advantage for them which will be obtained through improper performance by a staff or us;
- Accept a gift or hospitality from a third party if a staff know or suspect that what it is offered or provided is intended for influencing improper performance by us in return;
- Threaten or retaliate against another Worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- Engage in any activity that might lead to a breach of this policy;

## 6.4 Facilitation payments

- Integrity Watch do not make, and will not accept, facilitation payments or "kickbacks" of any kind.
- Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid, but are common in some other jurisdictions in which Integrity Watch operate.
- If a staff are asked to make a payment on our behalf, a staff should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. A staff should always ask for a receipt which details the reason for the payment. If a staff have any suspicions, concerns or queries regarding a payment, a staff should raise these with the Compliance Manager.
- Any such incidents should be reported to the Executive Director at the first available opportunity.
- Kickbacks are typically payments made in return for a business favor or advantage. All employees must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

## 6.5 Staff responsibilities

- A staff must ensure that a staff read, understand and comply with this policy at all times.



- A staff must be open about gifts and hospitality given or received and a staff must disclose these to a staff manager in advance (where it is possible to do so or as soon as possible afterwards).
- The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Integrity Watch Afghanistan. All Integrity Watch staff are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- A staff must notify his or her manager or the Executive Director as soon as possible if a staff believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a customer or potential customer offers a staff something to gain a business advantage from us, or indicates to a staff that a gift or payment is required to secure their business.
- Any employee who breaches this policy may face disciplinary action, which could result in dismissal for gross misconduct.
- Integrity Watch reserves the right to terminate the contractual relationship and demand Tawan (compensation with other staff if they breach this policy).

## 8. How to report suspicious or corrupt activities

In case a staff are witness to any form of corruption inside Integrity Watch or outside Integrity Watch that affects Integrity Watch's mission, a staff should immediately inform a staff line manager by any communication means available such as; phone call, an SMS and/or email with a copy to the Executive Director and to Human Resources providing a summary of the incident and providing any evidence which can facilitate INTEGRITY WATCH's further investigation of the matter.

## 9. Whistleblower protection

Whistleblowers are those who reports any types of corruption as mentioned above. Integrity Watch ensures that such person's identities will remain confidential and encouraging them further to raise any instance of potential corruption.

## 10. Investigation of corruption

Any case of corruption will be seriously investigated but the Disciplinary Committee and/ or another committee convened by the Executive Director. The matter in question will be investigated, a detailed report will be prepared and actions will be taken based on the available evidences.

## 11. Override

This policy takes priority over any other rules or policies of INTEGRITY WATCH, past or future, in regard to corruption or bribery.

## 12. Pledge

All the staff member of Integrity Watch has to read the policy and sign the pledge that is provided to them in three languages, they are also bounded to implement and agree on subsequent version of this policy.

### References:

1. <http://www.sfo.gov.uk/bribery--corruption/what-is-corruption.aspx>
2. [http://www.ucl.ac.uk/finance/finance\\_docs/finance\\_regs/anti-corruption-and-bribery-policy.pdf](http://www.ucl.ac.uk/finance/finance_docs/finance_regs/anti-corruption-and-bribery-policy.pdf)
3. Law on overseeing the implementation of Anti Administrative corruption strategy
4. Integrity Watch Anti-Corruption Training Manual