



Financial Integrity- and Ethics Policy

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Introduction

Corruption and terror-financing is a major obstacle to democracy and the rule of law. It corrodes the social fabric of society and depletes the common good, democracy and the rule of law. Corruption and terrorism harm the poorest and marginalized in their access to basic rights and services and is a destabilising factor in already fragile states and situations.

We see close links between the Christian understanding of and obligation to stewardship and to fighting corruption and terrorism. Fighting corruption is defined in SDG 16 as one of the roads to more peaceful societies. It is Danmission's mission *"...To promote a peaceful, just, and sustainable world where people can freely practice their faith and beliefs."* This is why anti-corruption and anti-terrorism are important instruments in obtaining our mission and we will do everything we can to fight corruption and terrorism.

We have a zero-tolerance approach to corruption and terrorism of all kinds. All acts of corruption and terrorism go against Danmission's mission and core values. Danmission is legally bound to comply with anti-corruption and anti-terrorism laws and regulations.

If compared to the Transparency International's corruption perception index Danmission works in countries perceived as highly corrupt. These are also countries with high levels of poverty and/or instability. In Danmission we believe that we have an opportunity to meet the challenges of corruption, terrorism, poverty and instability in our partnering countries and that is among other things why Danmission is present in these countries. Danmission is entrusted with funds from private donors, taxpayers, international and bilateral donors, and we are committed to ensuring that our staff, volunteers and partners do everything possible not to engage in corruption or terror-financing and to expose these when they occur.

However, one principle is always above fighting corruption and terrorism: personal security.

The safety of life and limb should never be compromised to live up to the standards in these policies and codes of conduct.

The target group for these policies is Danmission staff, Danmission volunteers, Danmission interns, employees in partner organisations and external consultants connected to Danmission's work. All Danmission staff, volunteers, interns, external consultants connected to Danmission's work and partner organisations are obliged to follow these policies and codes of conduct.

The policies' purpose is to ensure, and support behaviour and work ethics characterised by the highest standards of personal and organizational integrity, both internally in Danmission and externally among our many different partners in Denmark and abroad. Proven or substantial suspicion of breaches to this policies

should be reported to Danmission immediately through the Danmission Complaints Mechanism (specified below).

Seek Advice

If in doubt about how to tackle a situation right or what to do about something you have observed, you can always seek advice with your manager, the Danmission Regional Director who is Danmission's local anti-corruption focal point or contact the complaints handler at Danmission headquarters available on the Danmission webpage.

Anti-Corruption Policy and Code of Conduct

Danmission defines corruption as the misuse of entrusted power for personal (or organizational) gain. Corruption can have many forms. The most well-known might be fraud, embezzlement, extortion and bribery, but corruption also involves issues around conflicts of interest, nepotism, favouritism, large gifts or offers of hospitality.

Not all corruption is about exchange of money; it might as well involve exchange of favours or biased decision making.

Some are illegal and straight forward: fraud, embezzlement, extortion and bribery. Here there is a zero-tolerance policy. But issues around conflicts of interest, nepotism, favouritism, large gifts or offers of hospitality are more context-dependent and whether they become corruption depends on circumstances and how they are treated.

The following section outlines 6 types of corruption and includes some important pieces of advice on which steps to take when we meet them, or how to avoid them all together.

Types of Corruption

Danmission distinguishes between 6 types of corruption:

1. Bribery and Facilitation Payment
2. Extortion
3. Fraud and Embezzlement
4. Gifts
5. Hospitality

Instances of real or suspected corruption do not always fall within one or the other but can be a mix or a hybrid. As an example, most types of corruption entail that someone has a conflict of interest which is not handled properly. Another example is gifts and hospitality, which if given with the wrong intentions, can become a bribe or a way to commit fraud.

Bribery & Facilitation Payment

Definition of bribery: Bribery is the giving and/or taking of offers, promises financial or other advantage to another individual in exchange for improperly performing a relevant function or activity.

In simple words it means the offering or taking of money, services or other valuables with the purpose of having someone perform or do something for you that is not in compliance with what they are expected to do in the position with which they are entrusted. This could be offering a sum of money or a gift to a public official to get a licence in return, which one was not entitled to. Bribery does not have to involve cash, or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a travel or tickets to an event.

Definition of facilitation payment: The definition of facilitation payment is not legally different from bribery but can be understood as a sub-category that has to do with offering or taking bribes to expedite or advance an administrative process of a routine nature. Routine nature is here defined as activities and actions that are a part of our staff's daily duties and functions.

This could be for example paying someone a small sum to speed up the process of issuing a visa or paying a police officer a small sum to "overlook" speed-driving. Facilitation payments are to be treated as any other form of corruption and should be reported as such immediately.

Code of Conduct: We will not tolerate, give or accept bribery and facilitation payment in any form.

Steps to take:

- Never accept or give bribes and never tolerate to see others doing it
- Confront the person soliciting bribes or facilitation payments with the information that bribery is illegal in all countries and a breach of Danmission's policy
- Say no to facilitation payments and question the legitimacy of any undue solicitation of payments, refer to Danmission policy and international law
- Report all incidences of real or suspected bribery and facilitation payment to your manager and/or Danmission's complaints handling system
- Avoid cash payments where possible and always get a receipt with signature on any purchase
- Minimize the situations where you are under time-pressure, as these make you vulnerable to demands for facilitation payments or bribes
- Know the local laws and have your licences and other papers in order – that will minimise your vulnerability to demands for undue payments

Extortion & security payments

Definition of extortion: Extortion is the practice of trying to obtain money, services, valuables or advantages by force or threats.

Code of Conduct: We will not seek to influence any person or institution for private purpose by using our official position or offering them personal advantages. We will not use any forms of extortion as a method to gain advantages.

Extortion could be a police-officer threatening to detain a person if he doesn't pay a fine, that he has committed nothing to rightfully deserve. But it could also be a person working for Danmission or on a Danmission supported project in a community, and threatening rights holders to give him/her something in exchange for staying in the project for example cash or sexual favours.

Extortion is the violent or threatening abuse of power by a person who is in a powerful position in relation to another.

If a payment is made to a person threatening you, it would be called a security payment (as opposed to facilitation payment or bribe), and you are not liable for prosecution under such circumstances.

Steps to take:

- As personal security always comes first, a payment should always be made if you find yourself under threat of life and limb
- Always report any incidences where you had to pay a security payment
- Whenever possible avoid situations that could make you vulnerable to extortion, such as breaking curfews and other security recommendations, traveling without the right papers, or working without license
- Never abuse your position or power to obtain something that is not rightfully yours, or which violates another person's rights. Be mindful of the power you hold in your profession and position
- Always report any real or suspected incidences of extortion by or against Danmission staff and partner organisations to the Danmission complaints mechanism

Fraud & Embezzlement

Definition of Fraud and Embezzlement: Fraud is defined as economic crime involving deceit, trickery or false pretences, by which someone gains advantages or funds unlawfully. Embezzlement is defined as the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian and can include theft. Both Fraud and Embezzlement are illegal practices.

Code of Conduct: Fraud and embezzlement are illegal and must not be used as methods to gain personal or professional advantages or property in relation to Danmission, partner organisations or any other stakeholders.

Steps to take:

- Make sure clear rules and procedures for financial management and accounting are available and followed
- Make clear guidelines on the use of organisational resources and assets (i.e. cars, office utensils, guesthouses etc.) and monitor that they are followed
- Encourage an open dialogue around issues of doubt related to financial management and administration of funds
- Have a complaints system that allows for safe and confidential whistleblowing for staff and stakeholders
- Talk to your manager if you encounter fraud and embezzlement and report any real or substantial suspicion of fraud and embezzlement to Danmission.

Gifts

Definition of gifts: Gifts are defined as, but not limited to, services, travel, material things or favours. It could also include offers of hospitality which is detailed below.

Code of Conduct: We will not give or receive, directly or indirectly, any gift or other favours that may influence the exercise of our function, performance of duty or other ways of possibly harming Danmission. In order to respect local traditions and conventional hospitality small gifts are accepted.

Steps to take:

- Generally, never give or accept cash as a gift
- Never receive gifts privately or at home, which relate to your professional life
- If you do receive gifts in your professional role, share them with your colleagues and be open about from whom and why you received them
- Be transparent about the gifts you receive and give – what was the occasion and motive
- Consider the motive behind the gift – both when giving and receiving. Was there a good reason to give/receive a gift, or could the intention have been to affect professional decisions and judgement?
- Consult a colleague, your manager or the anti-corruption focal point if you are in doubt about the size or intention behind a gift
- If you suspect that a gift could in fact be an attempt of bribery, report it to your manager and/or Danmission

Hospitality

Definition of hospitality: Hospitality includes, but is not limited to, offers of meals, travels, accommodation and adventures. Offers of hospitality are a natural part of our relation to stakeholders and communities, and in most incidences, they do not have anything to do with corruption, but in a few incidences, they can be offered to affect a professional decision or judgement and be considered a type of bribe.

Code of Conduct: We will not participate in or invite to, directly or indirectly, overly sized hospitality that may influence the exercise of our function, performance of duty or other ways of possibly harming Danmission. In order to respect local traditions and conventional hospitality minor offers of hospitality are accepted.

Steps to take:

- Never exchange excessive or overly expensive offers of hospitality between people with a professional relation
- Say no to any invitation that you think is given with the intention of affecting your decisions. The important thing to be aware of is the intention behind the invitation, so use your personal integrity and judgement power to assess each situation
- Be transparent and accountable about the offers of hospitality you get or give
- There are many grey-zones when it comes to offers of hospitality, so consult a colleague, your manager or the anti-corruption focal point if you are in doubt about a situation or general rule
- If you suspect that an offer of hospitality in fact can be an attempt of bribery, report it to your manager and/or Danmission

Conflicts of Interest Policy and Code of Conduct

Definition of conflicts of interest

A conflict of interest is the situation when a person experiences a clash between his/her professional interest and self-interest, which potentially damages their professional judgement or priorities.

Conflicts of interests include issues of nepotism and favouritism when a personal relationship of friendship or kinship will potentially or in reality affect the professional decision by a person.

Code of Conduct

It is not uncommon to experience real or potential conflicts of interest, and they are not necessarily leading to misbehaviour at all. The fundamental issue is how we handle the conflicts of interest in question. For example, it does not necessarily lead to nepotism that a person with family ties to a staff-member is hired in the organisation. Depending on how the hiring process was carried out, it can be either perfectly fine or not fine at all.

When a conflict of interest arises, we will make it known and handle it in a way that ensures Danmission's professional interest (mission, vision, goals and activities) and integrity. This can include withdrawing relevant staff from decision-making processes.

Steps to take:

- Always share your conflict of interest with your manager and if possible also with other relevant people

- Withdraw from any situation related to the conflict of interest and avoid affecting the decision-making process of others
- Seek advice from colleagues, managers or anti-corruption focal points if in doubt
- Act – take the relevant measures to make sure the conflict of interest does not damage Danmission's institutional and organisational interests.
- If you experience situations that has led to nepotism or favouritism remember to report it as corruption

Anti-Terror Financing Policy and Code of Conduct

Definition of Terrorism

Terrorism, in the context of this policy, refers to any activity, association, or transaction involving individuals, groups, or entities that are listed on the United Nations (UN) Sanctions List¹ and/or the European Union (EU) Sanctions Map². This includes, but is not limited to, the direct or indirect provision of financial resources, assets, goods, or services to such entities, as well as collaboration or partnership with them in any form.

Danmission has a moral and legal duty to ensure that no funds, resources, or assets are made available to, or benefit, individuals or entities on these lists.

Code of Conduct

All Danmission staff, volunteers, interns, consultants, partners, and suppliers are required to adhere to a zero-tolerance approach toward terrorism as stipulated in below code of conduct. This principle applies to all activities and relationships, including program implementation, procurement, employment, and partnership agreements.

All Danmission staff, volunteers, interns, consultants, partners, and suppliers must ensure that their actions, decisions, and transactions do not, directly or indirectly, support or facilitate terrorism.

The following key principles must be observed:

- No funds, assets, or resources shall be provided to any person, group, or entity on the UN or EU terror lists.
- All staff and partners must be familiar with and accept the anti-terror policy, enforcing zero tolerance in all engagements.

Any discovery of a link to terrorism during project implementation must be reported immediately to the organization and relevant donors, with a full explanation of the circumstances, whether the link was intentional or not.

¹ [United Nations Security Council Consolidated List | Security Council](#)

² [EU Sanctions Map](#)

Steps to take

Prevention

Screening: Prior to entering into any contract for employment, partnership, or procurement (especially for goods or services exceeding DKK 250,000), conduct thorough screening against the latest UN and EU terror lists. Maintain documentation of the screening process in the staff files, Danmission Partner Database or procurement files.

Contractual Clauses: Ensure that all agreements include the following mandatory anti-terror clause requiring parties to certify their non-association with terrorism and their commitment to preventing transactions that may benefit terror-listed entities.

"If, during the course of implementation of this Project/Programme, the Implementing Partner discovers any link whatsoever with any organization or individual associated with terrorism, it must inform Danmission, who will inform the Danish MoFA immediately and explain the reasons for such transfer, including whether it was made or provided knowingly, voluntarily, accidentally, unintentionally, incidentally or by force. The Implementing Partner agrees that it and/or its implementing partners (including contractors, sub-contractors and sub-grantees) will take all reasonable steps to secure that no transaction made in relation to the Project/Programme will – directly or indirectly – benefit a person, group or entity subject to restrictive measures (sanctions) by the UN or the EU. Any violation of this clause is ground for immediate termination of the Agreement returning to Danmission and the Danish MoFA of all funds advanced to the Implementing Partner under it."

Training and Awareness: Present and explain the anti-terror policy to all new staff and partners at the outset of employment or partnership. Provide regular capacity-building seminars to reinforce understanding and compliance.

Due Diligence and monitoring: Conduct due diligence on all partners every four years, with monitoring every second year, to verify ongoing compliance with anti-terror requirements.

Notification and Action

Immediate Reporting: If any link to a terror-listed person, group, or entity is discovered, report the matter immediately to Danmission's management. Include a detailed explanation of how and why the connection occurred.

Investigation: Danmission will investigate any reported links to terrorism. If the investigation confirms the association, appropriate disciplinary measures will be taken,

which may include termination of contract, cessation of partnership, and repayment of funds.

All investigatory actions, findings, and decisions must be fully documented and retained as part of Danmission's Complaints Handling Mechanism.

Responsibilities

Responsibility of Danmission

Danmission is responsible for annual reporting and accounting for grants received from institutional donors like the Ministry of Foreign Affairs, Danida. Hence Danmission is also obliged to inform donors about cases of well-founded suspicion and cases of corruption, mismanaged conflicts of interest or terror financing.

When informed by partner organisations about such cases, Danmission will first attempt, without delay, to verify the validity of the information received before informing the donor. However, the donor will subsequently be informed about the case, within a reasonable period of time after having received the information, and about actions to be taken to clarify or rectify the matter by the partner church or organisation and Danmission.

Danmission's report to the relevant donor will be based on information and reporting received from the partner (see below paragraphs) including Danmission's assessment of how the partner handles the matter.

Responsibility of Danmission partner organisations

Partners are expected to react immediately if they have reason to suspect cases of corruption, vis-à-vis fraud, misuse of funds and assets or serious irregularities or if suspicious activities are brought to their attention by employees, seconded development workers, advisors, beneficiaries or other members of the public.

If investigations show that such suspicions are well-founded, the partner is expected, without hesitation, to inform Danmission about the situation and the proposed intervention and measure to be taken by the partner.

In clear cases of corruption partners are expected, without delay, to inform Danmission about the case and steps already taken or planned to resolve the matter.

Responsibility of local and/or Danish auditors

If a local or Danish auditor becomes aware of any kind of any type of corruption, serious irregularities or significant breaches of the project or funding agreements with Danmission, it is the duty of the auditor to immediately notify the management and competent body of the partner or Danmission. The remarks of the local and/or the Danish auditors are to be submitted together with findings on the matter. Danmission is obliged to inform Danmission's auditor and the relevant donor about such matters.

Sanctions and Consequences of Breaches

Breaches to this policy and code of conduct can entail disciplinary action/legal measures/termination of contract/termination of partnership or a combination. An evaluation and decision on consequences will depend on:

- a) The specific context of the case.
- b) The level of corruption or misuse of funds and serious irregularities in question; and
- c) The will, determination and result of efforts on behalf of partners involved to rectify evident misuse of funds and assets.

Sanctions for breaches of this policy include immediate termination of agreements, cessation of collaboration, and repayment of funds. Decisions regarding sanctions will be made by senior management in consultation with relevant parties.

Complaints Handling and Whistleblowing Mechanism

If Danmission staff, volunteers, interns, external consultants connected to Danmission's work, employees in partner organisations, or communities have encountered corruption or have substantial suspicion about breaches of above policies and codes of conduct shall report this to Danmission.

All complaints must be submitted through the global complaints handling system, which is managed at Danmission Headquarters where only two designated people have immediate access to the system. It is possible to file a complaint on behalf of someone other than yourself. Investigation of the complaint will be coordinated by Danmission's complaints handler and a complaints committee.

The complaints mechanism has the following access-points:

- Complaints mechanism on the Danmission website <https://danmission.dk/en/>
- Email: complaints-handling@danmission.dk
- Relevant channels of communication for beneficiaries will be announced on the Danmission website and communicated to Danmission's beneficiaries

On basis of the complaint, it will be decided by the complaints handler whether an investigation committee will be set up and an investigation take place. The complaints handler will assess potential dangers and risks to all parties and incorporate ways to prevent injury or harm. The complaint will be handled confidentially and with great respect for the complainant and the persons/ organisations the complaint is pointing at. Only a very limited number of people will have access to and be able to disseminate information. Stakeholders must be able to lodge their concerns without fear of reprisals or unfair treatment why Danmission is committed to confidentiality around any case filed through the complaint's mechanism.

No anonymous complaints are accepted. The complaint does not have to be sent by the person who is affected. A complaint can be made by anyone who is concerned that

a staff member has breached Danmission's policies. All incidents of corruption shall be reported in the complaint mechanism. Cases where personal security was at risk shall as well be reported in the complaint mechanism.

Openness and Transparency

Danmission will make all complaints-cases publicly available on our website annually. The overview describes the complaints cases that Danmission has handled. Sensitive issues of personal character will never be published. The objective is to inform openly about the problems envisaged in the countries we work in – and to describe how we try to solve the problems and prevent them in future.